

RECIPIENT NAME: Connected Nation, Inc.

AWARD NUMBER: 21-43-B10546

DATE: 08/02/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

### QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

#### General Information

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b> Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b> 21-43-B10546	<b>3. DUNS Number</b> 086130007
<b>4. Recipient Organization</b>  Connected Nation, Inc. 1020 College St, Bowling Green, KY 421012137		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b> 06-30-2012	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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.</b>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Bernie Bogle	<b>7c. Telephone (area code, number and extension)</b>	
	<b>7d. Email Address</b>  bbogle@connectednation.org	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  08-02-2012	

**Project Indicators (This Quarter)**

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

Connect Ohio continued to work with sub-recipients for the Every Citizen Online (ECO) computer training. Currently, 109 sub-recipients have trained 22,930 students through instructor-led training and 302 students have been trained through self-paced curriculum for a total of 23,232 trained participants across the state. A total of 1,441 computers have been distributed to sub-recipients. Training locations now total 278 and can be found in 77 of 88 Ohio counties. Many new sub-recipients have joined the ECO program this quarter, including various YMCA/YWCA and Goodwill Industries locations. An ECO training location to note is Marathon Specialty Products in northwest Ohio.

The newest public service announcements (PSAs) for television and radio began airing. PSA themes include job searching and helping small businesses, online education, communicating with family, and online tools for senior citizens. The quarter theme was communicating with family emphasizing the ease of connecting to family across the country online. Since inception, more than 42,000 PSAs have aired on 34 television stations, 158,000 PSAs have aired on 122 radio stations, and PSAs run in 100 newspapers weekly. PSAs have generated approximately 698 million impressions with an additional 12 million impressions from 195 press releases sent to local and statewide news organizations. Such as:

**\*Every Citizen Online Showcases Importance of Broadband/Web Presence for one Gallia County Company**

W. Oran Smeltzer didn't feel he was using the Internet to its full potential, so he took the Every Citizen Online class. After completing the class, he saw the potential having a web presence can bring to a business and hired a local web designer for his family's accounting business. "The main reason we began a website was to streamline our appointment scheduling function," said Smeltzer. "Booking appointments over the telephone can be unproductive and inaccurate. Busy signals and lost messages can lead to client frustration and lost opportunities, not to mention a website is open 24 hours." (<http://connectohio.org/blog/post/eco-showcases-importance-broadbandweb-presence-one-gallia-county-company>)

**\*Ohio State University (OSU) Extension Offers Central Ohioans Free Computer Training**

OSU Extension brings the resources of the University to the community. "The ECO program will not only help the students, but it will help their children, their entire family, as well as the community at large," said Susan Colbert, program director for OSU extension University District. "The ECO program helps us fulfill our mission of improving the quality of life of all residents." Londa McInnis recently completed the training in order to gain computer skills for employment. "[The instructor] takes his time explaining so that you can understand everything step-by-step. I want to take more advanced classes next, so I can start a career, look for an office job." Both the video (<http://youtu.be/0jP15DLSgiw>) and story (<http://connectohio.org/blog/post/osu-extension-university-district-offers-central-ohioans-free-computer-training>) are available on the Connect Ohio website.

**\*Northeast Ohio Manufacturer Turns to ECO to Offer Employees Computer Training**

After surveying their 170 employees, Marathon Special Products found many of their employees in need of basic computer and Internet training. ECO training was brought to the manufacturing company through a mobile computer lab furnished through the ECO program, and 35% of employees signed up for the class. Marathon managers were elated to find an established and free program in ECO that they could offer their employees. "We want to help our employees reach their career goals," said Bret Danks, VP and GM of Marathon Special Products. (<http://connectohio.org/blog/post/northeast-ohio-manufacturer-turns-eco-offer-employees-computer-training>)

The call center, handling response from PSAs, has processed 8,874 calls representing 796 ZIP codes across the state.

To date, 5,547 surveys have been completed by ECO participants. Of survey respondents, 82 percent indicated they would subscribe to broadband within the next year in response to the training.

**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	56	The approved baseline plan anticipated the project to be 74% complete this quarter. While the program saw great progress this quarter, the overall project has not met the anticipated completion percentage. This differential is attributed to the need for additional sub-recipients. We continue to engage more sub-recipients with a larger scope of training across several counties, which will help us to catch up over the coming quarters. In this quarter 22 new sub-awards were approved. Half of these new

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
			subs began their training efforts already with the other half commencing training in Q3 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).**

Trainee participation continues to be a challenge for some sub-recipients while others are meeting and exceeding expectations. We are taking a closer look at these struggling facilities in order to mitigate this trend or to revisit their level of commitment. Field Operations Managers continue to meet with struggling sub-recipients and to review their progress thus far in order to make a decision regarding their continued involvement in the program. Other tactics being used to improve program element successes are listed below.

1. Training facilities struggling with low attendance work directly with the Public Relations Specialist to create personalized, local public service announcements in order to increase awareness of training availability in sparsely populated areas.
2. Beginning in May 2012, monthly e-newsletters have been distributed to all sub-recipients' staff in order to keep sub-recipients informed about program related developments. In addition, the e-newsletters serve as regular reminders and recommendations to sub-recipients on best practices to increase program objectives.
3. Monthly trend reports are generated in order to determine program successes against problem areas and are used in sub-recipient program reviews.
4. Changes to operations regarding the call center allow for the operator to transfer a participant directly to their closest facility to ensure that they are connected to someone and can be registered for training.
5. Whenever possible, training facilities are attempting to over-book or otherwise postpone classes until there is enough demand to ensure the class will be better attended.
6. Training facilities are scheduling class sessions in closer proximity (e.g. three days in a row as opposed to one day over three weeks), which has proven to improve follow-on attendance.
7. Training facilities are engaging training participants to encourage their friends, family, and coworkers to join them in a class. These referrals have proven to improve not only attendance but overall class dynamics as well.
8. When all else fails, Connected Nation encourages sub-recipients to combine under-attended classes on their reimbursement request (e.g. two 4 person classes appear as one 8 person class) allowing the training hour reimbursement to be more effectively used.

**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
N/A	N/A	Activities accounted for in Forum Addendum	175,589	23,232	19,050	490
<b>Total:</b>			<b>175,589</b>	<b>23,232</b>	<b>19,050</b>	<b>490</b>

**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).**

New Household Subscribers is a calculation of the number of participants who completed 6 hours of training multiplied by the percentage of participants who indicate their intent to subscribe for household use, but not for business use as a result of the ECO class. The percentage of 82% is a general conversion rate based on information taken from a survey that is completed by participants through our website. This percentage will vary quarter to quarter as survey responses vary.

New Business Subscribers is a calculation of the number of participants who completed 6 hours of training multiplied by the percentage of participants who indicate their intent to subscribe for business use as a result of the ECO class. The percentage of 3% is a general conversion rate based on information taken from a survey that is completed by participants through our website. This percentage will vary quarter to quarter as survey responses vary. Due to changes in the online survey portal, the finalized percentage for this quarter will remain 3% until next quarter.

**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).**

Currently, the number of new Household Subscribers (reported cumulatively through project inception) is 19,050 and new Business Subscribers is 490. Our baseline is set to 45,000 for Household Subscribers and 2,300 for Business Subscribers. Ultimately, the reluctance of people to provide personal information and/or to complete the survey at the beginning of the program has put us behind our initial projected baseline. Last quarter, additional changes to the Connect Ohio website (<http://www.connectohio.org>) were implemented in an effort to make the survey more intuitive and fluid to new users. In addition, Connect Ohio created an instructional handout for participants completing the survey to ensure they understand the process. With these additional measures, an increase in survey completion and new subscribers resulted. Expanding the distribution of instructional handouts and survey outreach should continue to increase survey completions and subscriber numbers in future quarters.

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

<b>Households:</b> 0	<b>Businesses and CAIs :</b> 0
----------------------	--------------------------------

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**

- Additional computers will be distributed to sub-recipients in order to facilitate training.
- New sub-recipients, with a broader reach, will be on-boarded and will begin training.
- Another series of Public Service Announcements will be distributed through radio, television, newspaper, and press releases throughout Ohio.
- We plan to have 25,000 participants trained through the next quarter.
- Through the program we will confirm 20,000 residential and 580 new business subscribers.
- Field Operations Managers will conduct one-on-one meetings with sub-recipients throughout the state and the Every Citizen Online program will host one statewide forum.

**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	63	Projections for next quarter are below the baseline target of 87%. The program continues to progress; however, there is a need for additional sub-recipients. Knowing that we may vary from the Baseline plan, Field Operations Managers are working with current sub-recipients to increase allocated training hours to over performing subs, and encourage sub-recipients to purchase their computers, which the delay of these purchases has historically been a factor. Connected Nation continues to engage more sub-recipients with a larger scope of training across several counties, which will result in increased progress over the coming quarters. During Q2 2012, 22 new sub-awards were approved. Approximately half of these organizations will purchase computers and begin training during Q3 2012. Additional sub-recipients are expected to be added next quarter as well.
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).**

Program participation has been an ongoing challenge through the project. Program staff will continue to implement the mitigation tactics discussed in question 3 (in the previous section of this report) in order to boost current sub-recipient progress as well as look beyond current sub-recipient types to on-board training sites with a broader or different reach.

**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	\$736,032	\$207,610	\$528,422	\$687,197	\$207,281	\$479,916	\$766,361	\$207,281	\$559,080
b. Fringe Benefits	\$157,880	\$44,532	\$113,348	\$157,717	\$44,861	\$112,856	\$179,911	\$44,861	\$135,050
c. Travel	\$93,448	\$0	\$93,448	\$91,482	\$0	\$91,482	\$102,562	\$0	\$102,562
d. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$1,112,500	\$229,125	\$883,375	\$924,700	\$290,871	\$633,829	\$974,144	\$300,572	\$673,572
f. Contractual	\$3,522,860	\$688,681	\$2,834,179	\$780,478	\$216,378	\$564,100	\$994,764	\$280,664	\$714,100
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$3,554,380	\$1,735,277	\$1,819,103	\$2,207,306	\$1,094,905	\$1,112,401	\$2,473,522	\$1,275,784	\$1,197,738
i. Total Direct Charges (sum of a through h)	\$9,177,100	\$2,905,225	\$6,271,875	\$4,848,880	\$1,854,296	\$2,994,584	\$5,491,264	\$2,109,162	\$3,382,102
j. Indirect Charges	\$814,175	\$229,651	\$584,524	\$717,083	\$229,651	\$487,432	\$777,898	\$229,651	\$548,247
k. TOTALS (sum of i and j)	\$9,991,275	\$3,134,876	\$6,856,399	\$5,565,963	\$2,083,947	\$3,482,016	\$6,269,162	\$2,338,813	\$3,930,349

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