

RECIPIENT NAME:Urban Affairs Coalition

AWARD NUMBER: 42-43-B10571

DATE: 02/06/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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 42-43-B10571 | 3. DUNS Number 077064095 |
| 4. Recipient Organization Urban Affairs Coalition 1207 Chestnut Street Suite 700, Philadelphia, PA 19107-4101 | | |
| 5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2011 | 6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> 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 Arun PrabhaKaran | 7c. Telephone (area code, number and extension) 215-851-1774 | |
| | 7d. Email Address APrabhakaran@UAC.org | |
| 7b. Signature of Certifying Official Submitted Electronically | 7e. Date Report Submitted (MM/DD/YYYY): 02-06-2012 | |

Project Indicators (This Quarter)

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

We made considerable progress on re-branding - our soft launch occurred this quarter and a subway/bus advertising campaign was finalized for launch at the beginning of next quarter. The purpose of our re-branding is to focus on our target audience and communicating to them the benefits of using the internet and free access to training. See our new website at www.PhillyKEYSPOTS.org.

We moved forward with sub-recipient Open Technology Initiative (OTI) on data gathering, developing a short user survey to be completed when users log on to the computers. OTI is responsible for program research, analysis, and evaluation. A comprehensive evaluation plan from OTI is still being developed and discussed, due next quarter. In addition, sub-recipient Rutgers University received IRB approval for their qualitative research plan (to be conducted as a supplement to OTI's program evaluation), which has been submitted to NTIA for approval.

Our program provided 35,560 hours of training this quarter to 2,890 participants. This brings our total since inception to 68,757 hours of training delivered to 5,853 participants. That figure includes 352 participants and 10,209 hours delivered through supervised self-guided online learning, not included in section 4a below.

We received and distributed 100 Youth Explorer Workstations donated by IBM. These workstations provide activity for children when parents enrolled in training are unable to find childcare, and reinforce the relevance of computers at a young age.

Sub-recipient Drexel University distributed 766 netbooks to Philadelphia Housing Authority residents who completed computer training, bringing the total since inception to 879.

Sub-recipient Philadelphia FIGHT implemented new workshops on specific topics that deal with barriers to adoption, including what to look for when shopping for a computer, proper care of a computer, and how to sign up for internet service.

We organized a "Trainers Roundtable" mini-conference for all Freedom Rings Partnership/Keypot trainers to network and share best practices, to be held in Q1-2012.

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 | 20 | Due to a late start and implementation challenges, spending and deliverables are lower than initially anticipated at this stage. We are rapidly ramping up training and working with sub-recipients on prompt invoicing to address these challenges. |
| 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).

The pace of training increased rapidly this quarter, and based on our projections we are on track to meet the goal of 67% completion by June 2012. We doubled the hours of training completed this quarter over last quarter.

We are working with sub-recipients to improve the rate at which they are invoicing us for their federal and match spending. In some cases organizations are spending at a lower rate than anticipated, and in other cases they are slow to invoice their expenses (or both). We have been addressing these challenges through one-on-one meetings, detailed review of projections vs actuals, and requesting updated spending projections.

Our biggest challenge this past quarter was in the area of subscriptions. We were expecting the Comcast Internet Essentials program to be a great opportunity for our participants to become broadband subscribers at an affordable price. However, we experienced a number of challenges with implementing this program. We discovered that our target population often doesn't qualify, due to not having a permanent residence, having past due bills with Comcast, or not having any school-age children. For those that do qualify, the application process is long and cumbersome. We are in discussion with Comcast on how to overcome some of these barriers.

In addition, we are in the final stages of talks with Mobile Citizen and Wilco to offer Clear Internet subscriptions to our target population at an affordable price without the restrictions and barriers we encountered with the Comcast Internet Essentials program. We hope to begin offering this product to our participants in Q1 2012.

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 |
|--------------------------|--------------------------|---------------------------------------------|-------------------------|-------------------------------|-----------------------------|-----------------------------------------|
| Training | Philadelphia | See attached PPR Form Addendum for details | 41,658 | 5,501 | 2 | 1 |
| Outreach | Philadelphia | See attached PPR Form Addendum for details | 2,496,306 | 69,396 | 0 | 0 |
| Total: | | | 2,537,964 | 74,897 | 2 | 1 |

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).

We determine adoption data first by clearly defining subscribers and users as outlined by NTIA.

A household subscriber must have a paid or subsidized home broadband Internet connection. A household subscription may include more than one individual member of the household, but is still counted as a single household.

A user is someone who regularly uses the internet, but does not have a home Internet connection. They may access the internet from a public computer center, friend's home, workplace, smartphone, etc.

Our plan is to determine not only whether a household or business/CAI is subscribing, but to obtain additional information regarding users who are connecting to the internet regularly through other means. To obtain this information we will be querying Internet Service Providers, as well as subscribers themselves. In the latter case, we are already collecting, via pre- and post-training surveys, whether a participant is a current subscriber. If they are not, we present options for subscribing, and help participants navigate through the subscription process. If a training participant opts out of becoming a subscriber immediately, we will follow up, through phone, e-mail and mail, with inducements to subscribe.

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).

As discussed in section 3 above, we have encountered a number of challenges in enrolling new broadband subscribers. With no existing low-cost option in the Philadelphia area, we initially spent time exploring what options we could develop that would meet the needs of our target population. We have been in negotiations with Mobile Citizen and Wilco to offer Clear Internet since April 2011 and are close to finalizing an agreement. We hope to begin offering this product in Q1 2012 but likely will not see a significant increase in subscriptions until Q2 2012. While we encountered difficulties in implementing the Comcast Internet Essentials program, we will continue to work with Comcast and our sub-recipients to improve processes and enroll participants in Comcast Internet Essentials as well.

We are also developing a strategy for approaching business/CAI subscribers. Outreach opportunities include partnering with organizations that currently work with emerging and entrepreneurial organizations (Greater Philadelphia Chamber of Commerce, Free Library of Philadelphia, The Entrepreneurs' Forum of Greater Philadelphia, Innovation Philadelphia, Entrepreneur Works, Enterprise Center, the Pennsylvania Minority Business Enterprise Center, the Philadelphia Hispanic Chamber of Commerce, and others). We are offering organizations the opportunity to obtain free digital learning training for owners and employees, training on developing a Web presence, and access to low-cost Internet service. We are now projecting that these subscriptions will ramp up in the 1st three quarters of 2012.

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

| | |
|----------------------|--------------------------------|
| Households: 2 | Businesses and CAIs : 1 |
|----------------------|--------------------------------|

Project Indicators (Next Quarter)

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

We will continue rolling out our new branding initiative focused on reaching our target audience with a message about the relevance of broadband and computer training. In Q1 of 2012 we will launch our KEYSPOt bus and subway advertising campaign and continue improvements to our new website www.PhillyKEYSPOTS.org.

Participation in the 2012 MLK Day of Service Signature Site event at Girard College in Philadelphia.

A successful "Trainers Roundtable" mini-conference for all Freedom Rings Partnership/KEYSPOT trainers to network and share best practices.

We expect to make progress on program evaluation, including a comprehensive evaluation plan, implementation of the work-station user survey, and development of additional data collection instruments. We also expect to receive the first evaluation report from the Open Technology Initiative in March 2012.

We expect our training delivery to continue to ramp up, with expanded class times, additional course offerings, and more flexible schedules. Demand for training should also increase as awareness of our program spreads through our marketing campaign.

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 | 50 | We expect to continue to ramp up from our slower than anticipated start and move closer to our baseline goals. While this may seem like a large leap from our current percentage complete, we are expecting and have already begun receiving substantial invoices from our largest sub-recipient as expenditures from our marketing campaign and netbook distribution are being realized. |
| 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).

Our two biggest challenges continue to be catching up from our slower than anticipated program implementation, and overcoming barriers for new broadband subscribers. We anticipate making good progress on both fronts during the next quarter. Our training has already ramped up significantly and should continue to do so. Our conversations with sub-recipients who are lagging on spending have already begun to yield results, and we will continue to push forward on this front. We are also working with sub-recipients to prepare revised forecasts for federal and match spending to meet the 67% goal by June 2012. As discussed above, we expect to begin offering a new internet subscription option next quarter, although it may not be early enough in the quarter to realize significant subscription gains in Q1 2012.

In addition, we plan to continue to address significant challenges surrounding developing an effective and comprehensive evaluation plan and look forward to the upcoming evaluation webinars for assistance in this area.

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 | \$4,218,750 | \$450,471 | \$3,768,279 | \$1,676,522 | \$474,907 | \$1,201,615 | \$2,500,402 | \$525,805 | \$1,974,597 |
| b. Fringe Benefits | \$980,405 | \$118,908 | \$861,497 | \$407,876 | \$130,409 | \$277,467 | \$692,847 | \$156,058 | \$536,789 |
| c. Travel | \$164,587 | \$13,100 | \$151,487 | \$66,554 | \$19,209 | \$47,345 | \$119,944 | \$21,200 | \$98,744 |
| d. Equipment | \$3,007,782 | \$436,271 | \$2,571,511 | \$24,384 | \$0 | \$24,384 | \$1,893,870 | \$208,115 | \$1,685,755 |
| e. Supplies | \$786,400 | \$320,609 | \$465,791 | \$254,015 | \$60,987 | \$193,028 | \$481,201 | \$165,305 | \$315,896 |
| f. Contractual | \$367,475 | \$3,000 | \$364,475 | \$127,514 | \$55,612 | \$71,902 | \$307,850 | \$65,612 | \$242,238 |
| g. Construction | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| h. Other | \$6,929,909 | \$4,281,607 | \$2,648,302 | \$512,101 | \$404,608 | \$107,493 | \$2,174,953 | \$1,736,144 | \$438,809 |
| i. Total Direct Charges (sum of a through h) | \$16,455,308 | \$5,623,966 | \$10,831,342 | \$3,068,966 | \$1,145,732 | \$1,923,234 | \$8,171,067 | \$2,878,239 | \$5,292,828 |
| j. Indirect Charges | \$972,673 | \$0 | \$972,673 | \$395,505 | \$0 | \$395,505 | \$501,691 | \$0 | \$501,691 |
| k. TOTALS (sum of i and j) | \$17,427,981 | \$5,623,966 | \$11,804,015 | \$3,464,471 | \$1,145,732 | \$2,318,739 | \$8,672,758 | \$2,878,239 | \$5,794,519 |

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