

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 46-41-B10548	3. DUNS Number 115077950
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4. Recipient Organization

 Communication Service For The Deaf, Inc. 102 N KROHN PL, SIOUX FALLS, SD 571031800

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2012	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 Judy Morgan	7c. Telephone (area code, number and extension)
	7d. Email Address JMorgan@c-s-d.org

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-16-2012
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Project Indicators (This Quarter)

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

Project Endeavor experienced another quarter of tremendous growth. The number of program participants receiving equipment increased from 3,710 to 7,354 in Q1 (exceeding baseline goal by 163%). The growth is due to the combination of several factors: 1) recognition that our target population, deaf or individuals with significant hearing loss, want equipment that allows migration from wired to wireless broadband options; 2) provision of attractive discounted equipment and broadband options; 3) adjustments in program eligibility requirements; and, 4) an energized regional outreach campaign extended to suburban and rural areas. The rapid growth over the past two quarters created challenges for the contact center. Most program participants rely upon point-to-point video communications in American Sign Language (ASL). These calls take longer than a typical customer support call and require the unique skill set of agents being able to sign. To address peak demand periods, six new staff were hired and trained. We offered extended hours of operation and offered agents the opportunity to pick up extra schedules. Subscribers increased from 362 to 499 (5% of the baseline goal). Subscribers lag behind because consumers already have broadband services for their videophones. Some are purchasing equipment that allows them to maximize their broadband experience; others simply cannot afford the monthly charge. During Q1, outreach staff spread the word about broadband adoption, equipment and training and presented at 142 separate events attended by 18,136 individuals. There were 8,264 completed applications collected, and 4,199 learners participated in workshops and presentations at these outreach events. The Project moves forward to install Public Access Videophones (PAV) in CAs throughout the U.S. To date, 137 units installed (91% of baseline goal). The installations of PAVs are on track to be completed in Q2 2012. There were 2,774,030 media impressions created (exceeded baseline goal by 138%). The website experienced an average of 29,995 views a month and YouTube averaged 10,423 views a month. The media team produced 316 ASL videos with captions and voice. The major share of these videos were incorporated into the online learning tool for non-college bound deaf and hard of hearing individuals who are interested in either entering the workforce or looking to change jobs. The ASL learning tool will be launched in Q2 2012. The Project continues to carry out program evaluation activities including the collection and analysis of participant demographics, customer satisfaction surveys, external peer review of training materials, focus groups and review of service records.

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	57	Project Endeavor is on track or ahead of schedule for baseline milestones with the exception of the new household subscribers. At the rate new consumers are entering the program and becoming eligible for assistance, we anticipate using 67% of our available funding by June 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).

The Project Endeavor Contact Center continues to refine its workflow and quality assurance processes to meet the overwhelming demand from deaf/hh consumers. Applications for services and the numbers of consumers determined eligible for assistance continued to surge during Q1. This increase put significant stress on our contact center to keep up with the workflow. There were 8,264 completed applications received, nearly double the number of applications received during the previous four quarters combined. Staff worked diligently to reduce the backlog of applications. Six new staff were hired and trained and the center offered extended hours of operation and provided agents with the opportunity to pick up extra schedules. The delays in delivery of service occur regularly. Factors contributing to the delay are threefold: 1) the amount of time it takes to determine the broadband access needs of qualified consumers, 2) answering consumer questions about available technologies, and, 3) obtaining the informed consent to participate in our evaluation efforts. A significant amount of time and signed video communication is exchanged during the qualification process. An average call may take 90 minutes or more. Project Endeavor anticipates carrying a backlog of waiting consumers into Q2 2012. At that time, we will discontinue outreach and calibrate activities to occur in proportion to the amount of funding available for subsidized services. The additional challenge for Project Endeavor is to increase new subscriber numbers. More details regarding why

new subscribers are different from the targets provided in the baseline plan are explained in Section 4c. We continue to identify potential partners that will result in an increase in new broadband subscriptions. Staff attended NTIA Webinars to learn about other SBA/PCC projects and their strategies for increasing subscribers. Several of these contacted to determine whether synergy exists between projects. Some helpful leads, however, the barrier with our deaf/hh consumer base is affordability. The connectivity required to operate a videophone is not the \$9.95/month service; a higher speed connection is needed for video communications whether it is a videophone, tablet, mini net book or hand held device. In addition, deaf/hh consumers are reluctant to sign up for discounted rates that will eventually expire.

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
Create and maintain call center to provide customer support.	Sioux Falls, SD	This includes purchasing, programming and installing call center equipment. Developed technology to integrate video calls. Hiring and training staff who can use American Sign Language (ASL) to support customer base.	1	1	0	0
Purchase equipment for regular broadband users to access services	Sioux Falls, SD	This includes purchasing notebooks, tablets and video communications equipment, installing custom software for eligible broadband users and providing follow-up instruction and technical assistance.	4,500	7,354	0	0
Purchase broadband service and distribute for end users	Sioux Falls, SD	This includes determining whether wireless, wired or wi-fi broadband best meets consumer needs, setting up a wireless account or enrolling them in a voucher program for wired services and providing follow-up technical assistance.	16,000	499	499	0
Provision and install Public Access Video Phones	Sioux Falls, SD	This includes updating and installing latest Public Access Videophone (PAV) software, selecting community anchors for PAV installations, shipping and installing PAV and follow-up technical assistance.	150	137	0	137
Plan and conduct social media campaign	Sioux Falls, SD	This involves selecting appropriate social networking outlets to post outreach information to target population (viewership)	264,325	264,325	0	0
Promote project at community events	Sioux Falls, SD	Attend deaf & hard of hearing community and professional events to educate participants and attract program participants.	333	333	0	0
Develop and assemble training materials	Sioux Falls, SD	Develop and/or identify training materials that are effective in training individuals who rely upon ASL about services available on the web.	393	393	0	0
Provide awareness and education concerning broadband access for deaf & hard of hearing population	Sioux Falls, SD	Provide the deaf and hard of hearing public with information about the benefits of broadband services and how to access Project Endeavor.	2,000,000	2,774,030	0	0
Provide one-on-one technical assistance or educational workshops and self directed web training	Sioux Falls, SD	Provide one-on-one call center technical support, training and referral and web based self-directed training to assist individuals to access broadband services or Internet resources.	200,000	128,031	0	0
Evaluate factors contributing to broadband adoption by target population	Sioux Falls, SD	Gather data from project participants to determine why they do or do not utilize Internet based services, what supports increase their use of services. Results are reported in quarterly updates and will be included in the projects final report.	7	6	0	0
Total:			2,485,709	3,175,109	499	137

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).

Household subscriber: The number of individuals for whom the project has purchased or subsidized the purchase of a broadband service account or individuals who reported independently establishing a new broadband account after receiving project services.
 Community Anchor Institution subscriber: Any CAI where the Project installs a Public Access Videophone (PAV) or provides a device that allows an organization to access broadband services for video interpreting.

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).

Our original estimate of the adoption rate within the deaf/hh target population was in error and broadband technology developments have since created unanticipated service demands. From the beginning of Project Endeavor through Q4 2011, subscribers were as any participant in the program receiving equipment and/or broadband services. As previously reported, we show a net reduction of new household broadband subscribers due to the request from NTIA for grantees to use the more restricted definition of new subscribers established in the NOFA (CFDA No. 11.557). Hence, only new subscribers are counted rather than the number of users that received new equipment and who can now maximize their broadband services. As previously explained, there are two primary reasons why the number of new household subscribers is significantly less than we projected in our grant application. First, when determining the adoption rate for the deaf/hh target population, we relied upon the 2010 FCC Broadband Adoption & Use in America Survey. This report estimated that the adoption rate among people with disabilities was approximately 42%. As stated in our application there was no research indicating the specific adoption rates of sub groups within the disabled community, i.e., deaf and hard of hearing (hh). We have since learned that the adoption rate within the deaf community was significantly higher than thought. Recent Project Endeavor digital literacy survey data revealed 92% of participants already have broadband/Internet services at home. This is largely attributed to federally funded Video Relay Service (VRS) providers distributing free videophones to deaf/hh consumers with the requirement that they subscribe to high-speed Internet services. Without this subscription, VRS companies would not install the videophone equipment. Consequently, many deaf/hh people needing video communication to function in daily activities opted to subscribe to broadband services. The migration from the text-based TTY to videophone was rapid because this service allowed deaf/hh individuals to communicate using ASL for the first time. We underestimated how pervasive adoption of broadband service was in the deaf community. However, we learned that many of these subscribers only used their broadband access for video communication. Many have not availed themselves of the full functionality of broadband. Frequently, the only the equipment they had was a videophone. For financial and educational reasons many deaf individuals have been subscribers but not broadband users. The second factor affecting our low subscriber rate is the exploding growth and advancement of wireless video services. When the grant proposal was written, no one envisioned the quality, affordability and availability of wireless video today. Most of our target population is either abandoning fixed wired broadband in favor of wireless service or for the transition age youth and very low-income individuals, opting for free WiFi access as it becomes ubiquitous. For the deaf/hh community this transition is also being fueled by the affordability of notebooks, tablets and smart phones that merges the functionality of the desktop computer and videophone in one mobile device. The significant educational and training needs remain as outlined in the grant but there is much more need and demand for mobile broadband access equipment than new household subscriptions. The Project made decisions to keep pace with what is happening with the deaf/hh target population. We anticipate meeting our goals as measured by new broadband users but substantially under achieving our goals as measured in new broadband 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: 499	Businesses and CAIs : 137
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Project Indicators (Next Quarter)

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

In Q2 2012, we anticipate serving an additional 5,000 deaf/hh participants as we wind down accepting applications for equipment. We intend to work with VRS providers to provide discounted broadband subscriptions to individuals on waiting their lists for videophones or captioned phones. This strategy may help us boost the new subscriber numbers to 1,400. The Project will distribute free broadband equipment and subscriptions to approximately 250 very low income deaf/hh individuals. Policies will be set in place to ensure services distributed equitably across the United States. The installations of Public Access Videophones in Community Anchor Institutions will be completed. This technology allows community anchor organizations to obtain real time sign language interpreting services to communicate with their deaf consumers. Project Endeavor intends to provide subsidized equipment and Video Remote Interpreting (VRI) services to Community Anchor Organizations in order to learn how to use the technology to reduce service costs and to improve services to deaf consumers. Each community anchor location will be limited to 100 hours of subsidized VRI. Outreach staff will assist promoting VRI to community anchors and they will provide educational workshops to boost the number of learners. Program evaluation activities will continue throughout Q2. These include gathering demographics and obtaining a digital literacy baseline on participants entering the program and conducting individual consumer and community anchor customer satisfaction surveys. Plans for four focus groups will be implemented in Q2 and Q3. Project Endeavor will launch the online course, "Your Road Trip – Destination Employment." This course uses a web-based Learning Management System to provide a self-paced, interactive, online learning tool in American Sign Language for non-college bound deaf/hh individuals who are interested in either entering the workforce or looking to change jobs. The online learning tool employs interactive activities such as multiple-choice questions, videos and matching activities to engage

participants to apply English/grammar skills to employment related learning activities. Each activity has a measurement tool for the participant to gage their progress or the need for improvement.

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	67	The Project is on track or ahead of schedule for baseline milestones with the exception of the new household subscribers. At the rate new consumers are entering the program and becoming eligible for assistance, we anticipate using 67% of our available funding by June 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).

Again, our most significant challenge in the next quarter will be managing the enormous workload generated from previous the quarters and the expected bump in applications after the cut-off date. The work volume for the Q2 2012 will be twice as large as Q1 due to the backlog of approximately 5,000 qualified applicants for services. Workforce management is critical to avoiding long waiting times for services. Employees' resigning to accept other jobs hampers our ability to sustain the delicate workforce balance that exists. Contact Center managers will hire extra staff in Q2 and employ scheduling tactics to address the workload. In addition, managers will rely on assistance from outreach staff and the reassignment of CSD employees to the contact center. Everything depends on the nexus of having enough qualified applications as we have money to spend for each state. At this point, we believe we will be able to serve every qualified applicant. The close out plan, as stated previously, is to complete outreach activities and media production in Q2 and a have a proportional call center staff, program evaluation and project administrative support staff through the end of Q4. The current budget will support this close out plan. As their work is completed, qualified project staff will be transitioned to other programs within CSD. This process has already started with some of Project Endeavor's staff accepting positions within other departments. The advent of VRI services coming to fruition offers the best potential for creating sustainable jobs within CSD.

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	\$4,417,984	\$453,000	\$3,964,984	\$2,878,310	\$288,962	\$2,589,348	\$3,313,310	\$313,962	\$2,999,348
b. Fringe Benefits	\$1,147,792	\$117,689	\$1,030,103	\$610,867	\$58,979	\$551,888	\$716,867	\$64,979	\$651,888
c. Travel	\$296,500	\$0	\$296,500	\$218,789	\$0	\$218,789	\$300,935	\$0	\$300,935
d. Equipment	\$1,746,469	\$900,000	\$846,469	\$1,582,918	\$883,122	\$699,796	\$1,602,918	\$883,122	\$719,796
e. Supplies	\$189,826	\$0	\$189,826	\$104,591	\$0	\$104,591	\$124,591	\$0	\$124,591
f. Contractual	\$601,745	\$0	\$601,745	\$447,575	\$1,188	\$446,387	\$497,575	\$1,188	\$496,387
g. Construction	\$74,800	\$74,800	\$0	\$74,842	\$74,842	\$0	\$74,842	\$74,842	\$0
h. Other	\$9,196,989	\$3,025,649	\$6,171,340	\$4,242,522	\$1,973,803	\$2,268,719	\$6,442,522	\$2,873,803	\$3,568,719
i. Total Direct Charges (sum of a through h)	\$17,672,105	\$4,571,138	\$13,100,967	\$10,160,414	\$3,280,896	\$6,879,518	\$13,073,560	\$4,211,896	\$8,861,664
j. Indirect Charges	\$1,887,690	\$0	\$1,887,690	\$956,887	\$0	\$956,887	\$1,224,477	\$0	\$1,224,477
k. TOTALS (sum of i and j)	\$19,559,795	\$4,571,138	\$14,988,657	\$11,117,301	\$3,280,896	\$7,836,405	\$14,298,037	\$4,211,896	\$10,086,141

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: \$3,025,649

b. Program Income to Date: \$1,973,803