

RECIPIENT NAME: Connected Tennessee, LLC

AWARD NUMBER: 47-43-B10542

DATE: 10/29/2012

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 47-43-B10542	3. DUNS Number 859149820
4. Recipient Organization Connected Tennessee, LLC 618 Church ST STE 305, Nashville, TN 372192437		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012	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 Bernie Bogle	7c. Telephone (area code, number and extension)	
	7d. Email Address bbogle@connectednation.org	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 10-29-2012	

Project Indicators (This Quarter)

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

From July 1 through September 30, 2012, Connected Tennessee coordinated and conducted more than 28 separate events with the Boys & Girls Clubs of Tennessee promoting the Computers 4 Kids (C4K) program and the partnership with the Tennessee Boys and Girls Clubs Alliance, which enables at-risk youth to have access to technology and digital training opportunities.

To date, Connected Tennessee has distributed approximately 2,180 computers to 76 Boys and Girls Clubs across the state and also to Tennessee foster youth exhibiting good behavior and academic achievement. The Computers 4 Kids program, through a donation received from Lexmark International, was able to distribute 109 Lexmark printers to Tennessee Boys and Girls Clubs during Q3 2012. This quarter, 15,964 individuals were trained statewide courtesy of the partnership with the Boys and Girls Clubs; bringing the total number of individuals trained for the year to 42,650 and for the life of the program to 76,948.

Connected Tennessee participated in the Annual Meeting of the Tennessee Boys & Girls Clubs Alliance in Chattanooga, TN on September 21 where a program update was provided, training documentation discussed, and future focus efforts identified and coordinated. To raise awareness and educate citizens about the Computers 4 Kids program, Connected Tennessee continued outreach and awareness efforts highlighting programs successes, activities, and outcomes to local and statewide news outlets through a variety of formats including media advisories, press releases, newspaper and television interviews, blogs, e-Newsletters and social media. Combined, these efforts produced a total of 7,999,105 documented positive media impressions for the Computers 4 Kids program during the third quarter.

C4K news pick ups included:

* WBBJ-TV - 07/31/2012; Printers Donated to Boys & Girls Clubs. The Boys & Girls Club of Jackson received a special donation that will help with their school work. Through a partnership with Connected Tennessee and Lexmark, 10 new printers were awarded to the Jackson Club as part of the Computers 4 Kids program. A total of 250 printers have been provided to the Computers 4 Kids program and will be distributed to Boys & Girls Clubs across the state over the coming weeks. "We got something dependable and reliable," said Sabrina Anderson, director of the Boys & Girls Club. "Being able to put the tools at the fingertips of these children, so they can learn the skills that are going to help them go on to pursue an education to get the job of their dreams, to start a business, to be productive members of society," said Corey Johns, executive director of Connected Tennessee.
<http://www.wbbjtv.com/news/local/Printers-Donated-to-Boys--Girls-Clubs---164526416.html>

* WBBJ-TV - 08/01/2012; Good Morning West Tennessee. Mentioned during the news cast: Getting homework done will be a little easier for some Jackson-Madison County students. And it's all thanks to 10 new printers that were awarded to the Jackson Boys and Girls Club... by Connected Tennessee and Lexmark. A total of 250 printers have been provided to the Computers 4 Kids program and will be distributed to Boys and Girls Clubs across the state. Jackson officials say the donation will make a big impact on students' lives. Almost half of the low-income families in Tennessee say not having a computer at home is the main reason they can't access the internet.

* Shelbyville Times-Gazette - 08/15/2012; Printers given to Boys & Girls Club. Connected Tennessee recently donated four new printers to the Rutherford and Bedford County Boys & Girls Clubs. Two printers were presented Friday to each club as a part of a donation made by Lexmark International to the Computers 4 Kids (C4K) program. Kentucky-based Lexmark provided a total of 250 printers to the C4K program that will be distributed to Boys & Girls Clubs across the state over the coming weeks.
<http://www.t-g.com/scripts/search/simple.php?query=Printers+given+to+Boys+%26+Girls+Club&s=stories>

* The Knoxville News-Sentinel - 08/30/2012; Computer printers donated to Boys and Girls Clubs. Free computers for kids? Why stop there? At 4 p.m. today in the Moses Teen Center, 220 Carrick St., the public-private partnership group Connected Tennessee will give 26 new computer printers to the Boys and Girls Clubs of the Tennessee Valley. "About a year and a half ago, they gave us computers through a federal grant," said Lisa Hurst, president and CEO of local Boys and Girls Clubs. "Now they are giving us the printers to go with them." Connected Tennessee's "Computers 4 Kids (C4K)" program helps bridge the gap between those who can afford computers and those who cannot. Most of the children served by the Boys and Girls Clubs do not have access to computers at home. "So this is an amazing opportunity for our young people to be able to turn in the same quality (of homework) as any other child," Hurst said. "It is a great equalizer."
<http://www.knoxnews.com/news/2012/aug/30/computer-printers-donated-to-boys-and-girls/>

* WREG-TV - 09/12/2012; Mentioned during the news cast The Shelby County Boys and Girls Clubs got a welcome gift to their organization. Connected Tennessee donated four new printers to the club as part of the Computers 4 Kids program. Lexmark provided 250- printers to the program that will be distributed to boys and girls clubs across the state.

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	84	The overall project was expected to be 82% complete at the end of this reporting quarter. Match contributions exceeding the expected match support were received early on in the project, as a result, the project continues to carry progress further than initially anticipated.
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).

During this quarter, Connected Tennessee experienced one issue to be noted. There was a delay with the 2012 residential research survey, which in turn has caused a delay with presenting the new subscriber numbers.

Connected Tennessee's SBI program's 2012 Residential Survey, which will be utilized to report on new household subscribers, went out to the field at the end of Q3 2012. Survey results are expected to be completed by the end of the Q4 2012. As a result of this delay, Connected Tennessee is unable to report new subscriber numbers until next quarter. However, the new subscriber: households number previously reported remains greater than anticipated (11,640) per the baseline report.

The 2012 Business Survey, which will be utilized to report on new business and/or Community Anchor Institution (CAI) subscribers, has not commenced. This survey has been rescheduled to begin in Q1 2013. As a result of this change, the program is unable to report new subscriber numbers until Q2 2013. However, the new subscriber: businesses and/or CAIs number previously reported remains greater than anticipated (163) per the baseline report.

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	Please refer to Form Addendum	32,596	76,948	13,535	9,303
Total:			32,596	76,948	13,535	9,303

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).

Connected Tennessee surveyed 1,201 adult heads of household and 800 businesses via telephone in 2011. Among low-income households with children ("low-income" defined as households with annual incomes below \$25,000), the target population for this program, broadband adoption increased by 7.85 percentage points, from 42.43% in 2010 to 50.28% in 2011.

Broadband adoption among Tennessee businesses increased 7 percentage points, from 65% in 2010 to 72% in 2011. That translates into an increase of approximately 9,303 TN businesses subscribing to broadband service (based on the 2009 County Business Patterns report, the most recent such report from the US Census).

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).

According to the 2010 US Census, there are 801,968 households with children in Tennessee. Further, per the census, 21.5% of those families have household income below \$25,000 (same source). By that calculation, 21.5% x 7.85 percentage points x 801,968 = 13,535 additional low-income households with children that have adopted home broadband service in the past year. This new

subscribership number was originally reported in Q4 2011, and will remain the effective information until Connected Tennessee's State Broadband Initiatives (SBI) grant program completes additional residential research surveys. However, this reported information remains greater than anticipated (11,640) per the Baseline report. The difference reported from anticipated is the result of a greater than expected increase in home broadband adoption among low-income households as well as growth in the number of qualifying households within Tennessee.

According to 2009 County Business Patterns report, the most recent such report from the US Census, the 7% increase in businesses adopting broadband equates to an increase in approximately 9,303 businesses. This new subscribership number was originally reported in Q4 2011, and will remain the effective information until Connected Tennessee's SBI grant program completes additional business research surveys. However, this reported information remains greater than anticipated (163) per the Baseline report. The difference reported from anticipated is the result of a greater than expected increase in broadband adoption among businesses.

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

Households: 0	Businesses and CAIs : 0
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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).

Connected Tennessee (CTN) staff will continue to schedule and hold trainings with the Boys and Girls Clubs throughout Tennessee. Staff will schedule and conduct facility visits with the Boys and Girls Clubs. Follow up on the reporting of training hours with the clubs will also be conducted. CTN staff will continue to work with its partners at Department of Children's Services (DCS) to begin the planning and preparations, including identifying recipients, for the next round of DCS computer distributions.

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	87	The overall project was expected to be 86% complete at the end of the next reporting quarter. However, match contributions exceeding the expected match support were received early on in the project, and as a result, the program has reported further progress than initially anticipated. This trend is expected to continue.
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).

Connected Tennessee does not anticipate any challenges or issues next quarter.

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	\$506,492	\$0	\$506,492	\$345,349	\$0	\$345,349	\$393,095	\$0	\$393,095
b. Fringe Benefits	\$108,643	\$0	\$108,643	\$78,063	\$0	\$78,063	\$82,399	\$0	\$82,399
c. Travel	\$42,797	\$0	\$42,797	\$21,310	\$0	\$21,310	\$21,310	\$0	\$21,310
d. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$2,000,740	\$935,300	\$1,065,440	\$1,903,289	\$1,226,389	\$676,900	\$1,903,289	\$1,226,389	\$676,900
f. Contractual	\$22,500	\$18,750	\$3,750	\$34,449	\$5,104	\$29,345	\$40,902	\$5,104	\$35,798
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Total Direct Charges (sum of a through h)	\$2,681,172	\$954,050	\$1,727,122	\$2,382,460	\$1,231,493	\$1,150,967	\$2,440,995	\$1,231,493	\$1,209,502
j. Indirect Charges	\$560,265	\$0	\$560,265	\$346,073	\$0	\$346,073	\$377,322	\$0	\$377,322
k. TOTALS (sum of i and j)	\$3,241,437	\$954,050	\$2,287,387	\$2,728,533	\$1,231,493	\$1,497,040	\$2,818,317	\$1,231,493	\$1,586,824

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