

RECIPIENT NAME: Connected Tennessee, LLC

AWARD NUMBER: 47-43-B10542

DATE: 12/30/2013

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 6/30/2015

### 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> 47-43-B10542	<b>3. DUNS Number</b> 859149820
<b>4. Recipient Organization</b>  Connected Tennessee, LLC 618 Church ST STE 305, Nashville, TN 372192437		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b> 09-30-2013	<b>6. Is this the last Report of the Award Period?</b>  <input checked="" type="radio"/> Yes <input 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  Grants Management Officer	<b>7c. Telephone (area code, number and extension)</b> 270-781-4320	<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> 12-30-2013	

**Project Indicators (This Quarter)**

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

During Q3 2013, program staff completed distribution of the remaining 150 laptops to graduating or high-achieving Tennessee Department of Children’s Services (DCS) foster youth. These machines were presented during regional Celebration of Excellence (COE) events hosted in partnership with DCS. The Q3 2013 COE events were held on July 25 in the Southwest DCS Region (45 laptops), July 26 in the Northwest DCS Region (35 laptops), and on July 30 in the Shelby DCS Region (70 laptops). The July 25 event was held at Mother Liberty Church in Jackson and included the presence of prominent special guests, in addition to program staff. These special guests offered words of encouragement and congratulations to the youth receiving laptops. These events promoted economic, career, and educational development through the provision of computers and highlighted the benefits of technology adoption for the DCS foster youth. In total, over 200 participants attended the COE events during the quarter. For the program in total, 769 computers were distributed to the Boys & Girls Clubs and 2,088 to the Tennessee Department of Children’s Services for a grand total of 2,857.

Program staff performed outreach and awareness activities highlighting the Computers 4 Kids program’s 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 garnered 1.4 million positive media impressions for the program during the quarter. Additionally, outreach was made to local and state elected officials representing the various regions inviting them to participate in the COE computer distribution events and keeping them apprised of program activities. Program staff also worked with DCS, the Boys & Girls Clubs, and a juvenile court judge in East Tennessee to produce a success video demonstrating the impacts and legacy of the Computers 4 Kids program. The video highlighted a former DCS foster youth who was a Computers 4 Kids laptop recipient who is graduating from college. Additionally, the current Commissioner of the Tennessee Department of Children’s Services is featured along with a Knox County juvenile court judge who is also a member of the Boys & Girls Clubs of America’s Alumni Hall of Fame. This video will be used to inform the community of the C4K program’s impact. The video is accessible online at <http://www.connectedtn.org/blog/post/legacy-c4k>.

News releases from this quarter included:

Connected Tennessee Awards Foster Youth in Northeast Region with New Laptops, 7/25/13

<http://www.connectedtn.org/recent-news/news-release-connected-tennessee-awards-foster-youth-northeast-region-new-laptops>

Connected Tennessee Awards Foster Youth in Knox Region with New Laptops, 7/26/13

<http://www.connectedtn.org/recent-news/news-release-connected-tennessee-awards-foster-youth-knox-region-new-laptops>

Connected Tennessee Awards Foster Youth in Southwest Region with New Laptops, 7/29/13

<http://www.connectedtn.org/recent-news/news-release-connected-tennessee-awards-foster-youth-southwest-region-new-laptops>

**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	98	The baseline plan projected the Computers 4 Kids program to be 100% complete this quarter. This percentage is based on total federal expenditures. With the close of this reporting quarter, the project has concluded all programmatic expenses. A result of several factors we anticipate that this program will expend slightly less than the entire amount of federal funds awarded.
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).**

Nothing to 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	See addendum.	55,570	117,253	2,112	148
<b>Total:</b>			<b>55,570</b>	<b>117,253</b>	<b>2,112</b>	<b>148</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).**

To date, the Boys and Girls Club of Tennessee reports that 41,640 youth are served by their program, and their target audience is children living in low-income households.

Since 2010 and the inception of this program, home broadband adoption among this demographic in Tennessee has increased by 3 percentage points. This means that an estimated 1,249 (3% x 41,640) children served by the Boys and Girls Club of Tennessee now have home broadband service who did not subscribe at the beginning of this program. Based on the average number of children per household (U.S. Census 2010, <http://census.gov/population/www/socdemo/hh-fam/cps2010.html>), this means that approximately 651 [(3% x 41,640) / 1.92 average number of children per household] additional households with Tennessee Boys and Girls Club members now subscribe to broadband service. Connected Tennessee research shows that statewide, 71% of low-income broadband subscribers who have children at home said that they were influenced to subscribe by factors promoted by this partnership between Connected Tennessee and the Boys & Girls Club of Tennessee, including the need for children to have home broadband service for schoolwork, digital literacy training, and being convinced to subscribe by family members, among others. (Factors include: I realize broadband was worth the extra money; someone needed broadband for school; I heard about the numerous benefits of broadband; I learned about an application that required broadband; I took a class on how to use broadband; or a friend or family member convinced me to subscribe, <http://www.connectednation.org/research>). Using these figures, Connected Tennessee estimates that 462 additional households now subscribe to home broadband service as a result of this partnership between the Boys and Girls Clubs of Tennessee and Connected Tennessee, based on the following calculations: 3% \* (41,640 / 1.92) \* 71% = 462.

In addition, Connected Tennessee partnered with the Tennessee Department of Children's Services to distribute 2,088 laptop computers to children who were leaving the foster care system. As these recipients reach the age of majority and branch out on their own, each participant will represent a new household, and according to Connected Tennessee research, 79% of households where the head of household is age 18-24 and owns a laptop subscribes to home broadband service. As such, we estimate that this computer distribution has resulted in 1,650 new home broadband subscribers in Tennessee (79% \* 2,088 = 1,650). When combined with the 462 new households from our partnership with the Boys and Girls Clubs of Tennessee, that equals a total of 2,112 new subscribers.

Furthermore, Connected Tennessee research shows that 7% of home broadband subscribers use their home Internet service to operate home-based businesses. These home-based entrepreneurs are a vital part of the state's economy, and as such, it is imperative to include them as part of the impact of this program. Based on our estimate of the number of new households that now subscribe to home broadband service as a result of these partnerships, approximately 148 (7% \* 2,112 = 148) new home-based businesses are able to now use the power of broadband to remain competitive.

**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 total number of new household subscribers (2,112) is different from the targets provided in our baseline plan (17,458). This difference is the result of changing the methodology used to estimate the number of new households subscribing to broadband as a result of this program. The baseline methodology was based on the total number of all low-income households with children in Tennessee, but after conversations with the National Telecommunications and Information Administration (NTIA) in 2012, Connected

Tennessee altered the methodology to more accurately reflect the number of households where children are members of the Tennessee Boys & Girls Clubs and the number of foster children who received laptop computers as a result of this program. This has resulted in an estimated 2,112 new subscribers across the state, which is lower than the baseline estimate because of the shift in methodology.

**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).**  
 The project period end date was 9/30/2013 so there will be no further project accomplishments. However, the program team will comply with all necessary close out requirements over the next quarter.

**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	98	The baseline plan projected the Computers 4 Kids program to be 100% complete next quarter. This percentage is based on total federal expenditures. With the close of this reporting quarter, the project has concluded all programmatic expenses. A result of several factors we anticipate that this program will expend slightly less than the entire amount of federal funds awarded.
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).**  
 N/A

**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	\$650,721	\$0	\$650,721	\$644,134	\$0	\$644,134	\$644,134	\$0	\$644,134
b. Fringe Benefits	\$105,269	\$0	\$105,269	\$102,848	\$0	\$102,848	\$102,848	\$0	\$102,848
c. Travel	\$42,797	\$0	\$42,797	\$39,962	\$0	\$39,962	\$39,962	\$0	\$39,962
d. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$1,911,101	\$946,950	\$964,151	\$2,184,805	\$1,226,389	\$958,416	\$2,184,805	\$1,226,389	\$958,416
f. Contractual	\$48,704	\$7,100	\$41,604	\$53,122	\$7,374	\$45,748	\$53,122	\$7,374	\$45,748
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)	\$2,758,592	\$954,050	\$1,804,542	\$3,024,871	\$1,233,763	\$1,791,108	\$3,024,871	\$1,233,763	\$1,791,108
j. Indirect Charges	\$482,845	\$0	\$482,845	\$447,585	\$0	\$447,585	\$447,585	\$0	\$447,585
k. TOTALS (sum of i and j)	\$3,241,437	\$954,050	\$2,287,387	\$3,472,456	\$1,233,763	\$2,238,693	\$3,472,456	\$1,233,763	\$2,238,693

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