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** **25-43-B10574**	**3. DUNS Number** **859935004**

4. Recipient Organization

Connected Living, INC. 300 CONGRESS ST STE 406, QUINCY, MA 02196

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011	**6. Is this the last Report of the Award Period?** ◯ Yes ◉ 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 Patti Holbrook	**7c. Telephone (area code, number and extension)**
	7d. Email Address pholbrook@mywayvillage.com
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 05-17-2011

Project Indicators (This Quarter)

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

During the quarter, we have created 14 new jobs in Northern Illinois and have nearly completed launching the Connected Living program in all project buildings. From January to March, we launched training programs in an additional 14 of 23 project buildings (with 1 remaining to be launched in April), installed 15 new Computer Learning Centers and enrolled an additional 604 building residents and 268 neighborhood outreach trainees in our training programs (872 total). Most important, we graduated our first 216 trainees!

To attain these accomplishments, we have continued to hire and train talented Community Program Managers, many of whom were recruited from local neighborhoods, some from within the buildings themselves as residents. We finalized partner agreements with each of our 14 program collaborators and began the Evaluation portion of our program with Northern Illinois University as the new Evaluation partner. We launched additional awareness campaigns and formal outreach programs in most of our program cities, completing our first video describing the project for dissemination. Finally, we conducted an open, competitive multi-region tender to procured a contracts for the building networks to bring broadband access to each apartment in our 23 project buildings. Due to a lack of qualifying responses, we were able to make awards for only 9 of the 23 communities. However, we asked unsuccessful bidders to reapply and should be able to award the remainder of the contracts in the beginning of the next quarter.

In this third quarter of the program, we took the learnings from the first two quarters and recast our operation plan and budget to more effectively use the remaining resources. Our Award Action Report for re-budgeting was approved, and we are excited to demonstrate effective ways to get low income seniors and people with disabilities across the Digital Divide.

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	The project is behind its goal of 28% completion because the award of most building network contracts was pushed from March 2011 to April 2011, deferring over $900K in spending from this quarter to the next
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).

We have faced two main challenges this quarter. First was achieving acceptable results in an open, competitive tender to procure building broadband networks for our project buildings. Because many of these buildings belong to public housing agencies, we used consultants to help us design and manage a tender process that would comply with HUD as well as Department of Commerce regulations. Some of these requirements were so stringent that we only received qualifying bids in two of our five bid regions. We were able to go back to those bidders who did not qualify and gain enough performance security and better pricing through direct negotiations. Whereas we are pleased with the results of this procurement tender, the additional time it has taken to negotiate with multiple vendors has meant that many of the awards and much of the spending have been delayed from Q1 to Q2 of this year, slowing down our planned progress. We believe that we shall be able to catch up and finish Q2 with the same progress as originally planned.

The second challenge has been in securing adequate volunteer labor for later phases of our program. Volunteer labor is important to our program in order to make is sustainable beyond the grant period and in order to help our project collaborators (primarily public housing agencies) fulfill their matching funds commitments. Our original intent was to secure volunteers through the AmeriCorps or VISTA Volunteers programs. Our early, initial meetings with the Illinois coordinators of these resources were very promising. Although we do not anticipate requiring volunteer labor for our program until late Q3 and early Q4 of 2011, our intent was to help our collaborators secure these resources in earnest this quarter. Unfortunately, uncertainty over future funding for these programs in next

year's Federal budget has made it difficult to secure commitments from either program. We are not sure if the BTOP program can offer any assistance in this direct area, but we are actively pursuing alternative sources of volunteer labor at this time.

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
Opening Computer Learning Centers	Chicago (5), Oak Park (1), Morris (1), Mazon (1), Kankakee (2), Rockford (3), Joliet (2), Rock Island (2), Moline (2), Kewanee (2), DeKalb (1)	In this quarter, the project opened fifteen Computer Learning Centers (CLC) in addition to the eight CLCs opened the previous quarter. Each CLC includes workstations appropriate for instruction, Touch Screen computers for trainees with disabilities, a printer/scanner, tables or desks, chairs, and all of the cabling and electrical equipment to provide broadband connections. The opening of each CLC coincided with Awareness Events and the start of Training Programs.	0	0	0	22
Awareness Events	Chicago (5), Oak Park (1), Morris (1), Mazon (1), Kankakee (2), Rockford (3), Joliet (2), Rock Island (2), Moline (2), Kewanee (2), DeKalb (1)	The program held pre-launch and launch events surrounding the launches at each of the fourteen Computer Learning Centers to build awareness among the building residents and neighborhood guests. Each event was attended by building tenants, neighborhood guests, and community leaders. The project uses several different events all culminating into an Launch event where all building residents are invited to attend to learn more about the training program, and 872 new trainees enrolled in the training programs as a result. In addition, local mayors, aldermen, councilmen, public housing authority leaders and other community leaders attended. Several of these events were covered by local press and TV. MyWay Village filmed three additional launches this quarter and released a video of these events now posted on YouTube at: http://www.youtube.com/watch?v=xxlUtpcUfVw. After the launches, project staff engaged building staff to assist in outreach efforts to the neighborhoods surrounding project buildings. This resulted in the first outreach enrollees in the training programs.	2,684	1,173	0	0
Training Programs	Chicago (5), Oak Park (1), Morris (1), Mazon (1), Kankakee (2), Rockford (3), Joliet (2), Rock Island (2), Moline (2), Kewanee (2), DeKalb (1)	In this quarter in 14 communities the project launched the Connected Living Adoption and Sustainability Program. This program includes individual and small group classes for beginners, intermediate and advanced computer users to learn how to use broadband services. Each trainee in the beginner program takes 12 lessons before taking a computer and Internet proficiency test to evaluate their level of accomplishment before progressing.	2,684	1,050	0	0
Total:			**5,368**	**2,223**	**0**	**22**

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).

The clear majority of the households or CAIs that subscribe to broadband as a result of our SBA programs reside in the low income housing buildings where we conduct our training. Our project conducts an survey of each resident (to determine, among other things, whether the resident is a current broadband subscriber) to establish a baseline of broadband usage. As the resident trainee proceeds through our program and passes a computer and Internet proficiency evaluation, they receive a discounted computer and a free broadband connection for the duration of this grant program. They must provide the project team with proof that they have enrolled, so that we can have an accurate accounting of the number of new broadband subscribers.

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).

This quarter, our program graduated its first 216 trainees. Many of these are projected to become new broadband subscribers as soon as broadband networks are installed in their respective buildings in the next quarter.

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 : 22

Project Indicators (Next Quarter)

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

In the first week of next quarter, we will launch our final program building and have started training programs in all 23 project buildings. In addition, by the end of April, we will have awarded contracts (22 buildings) for the building network tender, and work will be started to bring broadband access to every apartment in the project buildings. This will make it possible for the program to begin awarding computers and converting successful trainees to individual (household) subscribers soon after. Our third party project evaluation team will have completed its first round of assessments, and our dissemination contractor will have built and launched our project dissemination website. Relative to our project partners, we will execute all partner agreements and complete implementation of a new system to record all partner matches (the project also receives matches from the State of Illinois and the grant awardee). We will secure new partners for outreach, launching programs with community organizations, local anchor institutions and other BTOP programs. We also will enhance our computer inventory by establishing relationships with refurbished computer providers as partnerships, several of whom were identified and courted in the previous quarter.   In the next quarter, the evaluation portion of our Research, Evaluation and Dissemination contract will begin with the completion of baseline surveys. Relative to PR, media and dissemination, we will have 2 new premium quality videos ready for distribution. Finally, we intend to expand our Volunteer programs by creating local relationships with national volunteer organizations such as AmeriCorps/Vista.

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	40	We believe that at the end of the next quarter we will be on track with our baseline plan.
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).

We anticipate further challenges in getting our sub-recipients to reach agreement with the building networks contractors we selected through an open, competitive tender. Because many of these service contracts will extend beyond the term of the grant, we have recommended that our collaborators (public housing authorities) enter into agreements directly with the service providers. We have made recommendations to our collaborators, but do not have control over the final decision or timing. We are working actively with our collaborators on these issues and do not require technical assistance from the BTOP Program. In addition, we are learning that the illiteracy levels within the affordable housing segment brings an additional challenge to our trainers and to the program. We are quickly learning to adapt to slower training techniques, simpler scripts, 1-on-1 private sessions. But there is still a huge segment of this population who chooses to not participate in a computer training program when they know that their reading skills do not support it. Finally, we are seeing a greater challenge in training those who are disabled mentally and emotionally, whether drug, alcohol or physiologically induced. When the trainee does not take their prescribed medications, the classroom sessions become disrupted and many times, repeat classes have to be offered. At this time, we do not believe that technical assistance from the BTOP program will be useful in these areas.

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.

Cost Classification	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		
	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Personnel	$1,998,973	$645,333	$1,353,640	$370,814	$64,720	$306,094	$617,588	$64,720	$552,868
b. Fringe Benefits	$411,923	$140,118	$271,805	$103,533	$0	$103,533	$171,879	$0	$171,879
c. Travel	$88,050	$0	$88,050	$59,197	$0	$59,197	$75,407	$0	$75,407
d. Equipment	$1,668,460	$1,209,944	$458,516	$0	$0	$0	$0	$0	$0
e. Supplies	$161,000	$0	$161,000	$472,601	$266,118	$206,483	$692,945	$346,118	$346,827
f. Contractual	$399,983	$0	$399,983	$316,636	$102,136	$214,500	$956,620	$102,136	$854,484
g. Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Other	$1,714,713	$101,998	$1,612,705	$161,548	$0	$161,548	$359,790	$42,498	$317,292
i. Total Direct Charges (sum of a through h)	$6,443,102	$2,097,393	$4,345,699	$1,484,329	$432,974	$1,051,355	$2,874,229	$555,472	$2,318,757
j. Indirect Charges	$385,743	$0	$385,743	$65,540	$0	$65,540	$115,960	$0	$115,960
k. TOTALS (sum of i and j)	$6,828,845	$2,097,393	$4,731,442	$1,549,869	$432,974	$1,116,895	$2,990,189	$555,472	$2,434,717

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