ANNUAL PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	06-43-B10013	830370800

4. Recipient Organization

California Emerging Technology Fund The Hearst Building, 5 Third Street, Suite 520, San Francisco, CA 94103-3206

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Annual Report of the Award Period?
12-31-2013	(●) 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	7c. Telephone (area code, number and extension)
Luis Arteaga	
	7d. Email Address: luis.arteaga@cetfund.org
7b. Signature of Certifying Official: Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 04-24-2013

PROJECT INDICATORS

1. Does your Sustainable Broadband Adoption (SBA) project foster a particular broadband technology or technologies? If so, please describe this technology (or technologies) (600 words or less).

Broadband Awareness and Adoption project (BAA) raised awareness about the benefits of broadband and help people subscribe to broadband and not a particular technology. The training materials used by the BAA partners provided information about the different broadband options prevalent in the market – DSL and Cable. This information was updated to include new mobile broadband and 4G technologies that can serve as mobile hot spots. Although 4G mobile is more expensive, this new technology can address four barriers for broadband adoption – concern about mobility, reluctance to sign a long-term contract, outdated internal wiring that prevents service and areas where service providers have declined to provide infrastructure. A couple of mobile providers bill on a monthly basis but do require a credit card and good credit for service.

2a. Please list all of the broadband equipment and/or supplies you have purchased during the most recent calendar year using BTOP grant funds or other (matching) funds, including any customer premises equipment or end-user devices. If additional space is needed, please attach a list of equipment and/or supplies. Please also describe how the equipment and supplies have been deployed (100 words or less).

Manufacturer	Item	Unit Cost per Item	Number of Units	Narrative description of how the equipment and supplies were deployed
N/A	n/a	0	0	n/a
Totals		0	0	

Add Equipment | Remove Equipment

2b. To the extent you distribute equipment/supplies to beneficiaries of your project, please describe the equipment/supplies you distribute, the quantities distributed, and the specific populations to whom the equipment/supplies are distributed **(600 words or less).**

The equipment discussed here does not qualify under the federal definition as equipment; however, CETF wanted to share the value BAA partners see in distributing refurbished computers as effective incentives for people to subscribe to broadband. Since 2010, BAA partners helped distribute 6,866 refurbished desktop computers to low-income families. Generally the families received a computer when they completed training and sign-up for broadband. The computers were both given away and sold to participants. In some cases BAA partners subsidized the computer purchase. Early on a BAA partner also purchased and distributed 4 Apple iPads as raffle items to encourage people to sign-up for a texting campaign. More people entered the raffle for the prizes and did not respond to other information sent to them after the winners were announced. Computers were also donated to set-up three new computer labs in Fresno, Los Angeles and Salinas.

3. For SBA access and training provided with BTOP grant funds, please provide the information below. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. For each type of training (other than open access), please count only the participants who completed the course.

Types of Access or Training	Number of People Targeted	Number of People Participating	Total Training Hours Offered
Open Lab Access	0	0	0
Multimedia	0	0	0
Office Skills	0	0	0
ESL	0	0	0
GED	0	0	0
College Preparatory Training	0	0	0
Basic Internet and Computer Use	3,463,000	716,945	1,191,032
Certified Training Programs	0	0	0
Other (please specify): Accessible Technology Training	37,000	2,173	2,173
Total	3,500,000	719,118	1,193,205

4. Please describe key economic and social successes of your project during the past year, and why you believe the project is successful thus far (600 words or less).

This project was successful in achieving its primary goals – widespread broadband awareness and education about why adopting broadband is important targeted to those least likely to have broadband at home and significant broadband adoption at

home.

AWARENESS—CETF and its BAA partners implemented a successful award winning public awareness program, Get Connected!, and leveraged their relationships with media to increase visibility and overall awareness about the benefits of broadband. One partner, the Dewey Square Group, was able to leverage the strategic direction of impreMedia, the leading Hispanic news and information company in the country, by fostering digital literacy skills among its bilingual readership in California with Club Digital. This combination of paid media from Get Connected! and Club Digital resulted in the project exceeding its goal for awareness by 266% reaching 225 million impressions. CETF received audience reports from valid third party research firm showing the number of impressions and people reached.

As a result CETF has exceeded its awareness target of 5 million people reached by 266% having reached 13,296,068 people.

EDUCATION/TRAINING—The project excelled at education and training the target audience. The Latino Community Foundation (LCF), a BAA partner, itself had eight partners. LCF successfully used a strategy that said “go where the target audience goes.” Their partners were very different and ranged from a community health clinic to an employment center. The LCF group alone trained 4,412 participants.

The project succeeded by developing outstanding educational products that will help sustain the work. The materials for educating low-income people without broadband are in Spanish and English. Some are available in Korean and Chinese. Examples include: a curriculum LCF wrote in Spanish instead of translating it from English. BAA partners pulled content together for a 16 page bilingual newspaper insert with impreMedia which reached over 800,000 Latino households. Club Digital was a resounding success, responsible for the majority of people trained. Readers reported improving their digital literacy skills and subscribing to broadband. Club Digital Phase 1 was a month-long education series in the daily newspaper, in Los Angeles/Orange and weekly insert in San Francisco. Topics included setting up an email account, getting broadband, staying safe online, shopping and banking online, finding college resources online and more than 14 others. Club Digital Phase 2 occurred in May 2012 for one week targeting the Greater Los Angeles Area. These resources were made available in many libraries, classes of partners and the websites of impreMedia (http://club-digital.com/about) and Get Connected! (www.getconnectedtoday.com). CETF counted a total of 630,041 Club Trainings which includes those who spent 1.5 hours reading the articles in Phase One and 3 hours or more in Club Digital Phase Two.

As a result CETF exceeded its training target of 678,000 having reached 106% to date having trained 719,255 people.

OUTREACH—BAA also exceeded its outreach goal of 5 million by reaching over 13 million people since 2010. Partners have complemented the paid media with outreach and engagement strategies to reinforce the media messages and sign-up people to attend local trainings, get computers repaired and for broadband assistance. Major outreach strategies, such as the media spots encouraging viewers to call 2-1-1 and One-e-App users requesting referrals resulted in 282,655 referrals for training, 79,847 people completing digital literacy training and helped 7,478 households adopt broadband since 2010. Trusted local messengers and grassroots outreach with promotoras (community health workers) are examples of successful outreach tactics.

ADOPTION—BAA also exceeded its goal of 133,000 adoptions by assisting 198,743 households adopt broadband. Many training resources were not designed to help people navigate the broadband options and choose a provider. The BAA partners developed specific training to help the target audience understand how to be smart broadband shoppers. The partners are trusted messengers with public agencies and non-profits to provide the necessary training and be a resource for the hardest to serve.

As a result CETF exceeded its adoption target of 133,000 by 149% at the end of the project having connected 198,743 households.

5. Please estimate the level of broadband adoption in the community(ies) and/or area(s) your project serves, explain your methodology for estimating the level of broadband adoption, and explain changes in the broadband adoption level, if any, since the project began.

5a. Adoption Level (%):	Narrative description of level, methodology, and change from the level at project inception (600 words or less).

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73	**Since 2008, Public Policy Institute of California, the California Emerging Technology Fund and ZeroDivide have conducted an annual statewide survey to determine overall broadband adoption as well as usage among key target populations – low-income, limited-English speaking, people with disabilities and race/ethnic populations. Adoption in California in 2008 was 55% and today it is 73%. Many of the efforts CETF is involved with have contributed to this growth which is now 10% ahead of the nation. CETF uses households making $40,000 and under as the overall baseline for adoption which in June 2008 was 33%. In June 2009, the survey found households under $40,000 had increased household adoption to 40%. In August 2010, 49% of these households have broadband at home. In June 2011 adoption increased to 58%, 11% points higher and in June 2012 adoption continued to increase to 60%.** **Overall CETF takes a conservative approach to tracking the outcomes in its federal reports. CETF does not claim total responsibility for all the increases in broadband adoption documented in the PPIC survey. The increases CETF and its BAA partners are responsible for are proportional to the awareness and outreach numbers tracked as compared to the total increase in the statewide survey. Partners track outreach, training, and adoption by using random survey techniques to call back clients they have served. This enables them to logically estimate the impact of their work and CETF tracks the awareness from advertising.** **Starting with the June 2011 PPIC survey, CETF counted a portion of the number of new adoptions recorded through this survey towards the CETF NTIA broadband adoption outcomes. As a conservative approach, CETF claimed 6% of the increase or 44,705 of the total number of new adopters under $40,000 were due to its efforts and those of its sub-recipients. This is the same rate of broadband adoption that United Ways of California/2-1-1 found when they called back clients who expressed an interest in broadband in their initial call.** **Likewise with Club Digital, CETF required a pre and post Club Digital survey to determine broadband adoption and training numbers. The research was conducted on behalf of impreMedia by Simmons Research according to widely acceptable research standards for random surveys during September/ October 2011. It measured the training and adoption that resulted from Club Digital which ran in California from August 1 to August 31, 2011 by asking how many hours were spent reading the lessons and how much was learned as well as how many people subscribed to broadband in the seven weeks ending the first week of October when the survey was completed. A third survey was conducted by Simmons media in June and July 2012 to assess the impact of the Club Digital Phase Two which ran in May 2012. CETF estimates that 30,825 immediately adopted after Phase One and 108,434 from October 2011 to April 2012.** **BAA partners used a variety of strategies to directly confirm that a household has subscribed. For one day events, partners called back training participants within a month to determine if they have subscribed. New subscribers were asked to share their "welcome letter" confirming service or their first month's bill in order to receive discounted computers or a subsidy to help pay one month of service. Some partners used the welcome letter or confirmation email from the providers as a raffle ticket for prizes to create incentives for adoption. In some cases an email from class participants showing the provider's name demonstrates a subscription.**

6. Please describe the two most common barriers to broadband adoption that you have experienced this year in connection with your project. What steps did you take to address them (600 words or less)?

The biggest barrier during the first six months of the grant was helping partners go the distance to help clients understand how to buy broadband that benefits their clients. Many anchor institutions and non-profits don't see this as their role. Traditionally their role has been to train clients how to use the computer. This project asked partners to go the distance. As partners have stepped up to this challenge they learned the value of making it easy for the client to get everything from them—training, education about computers and broadband, a low-cost computer, and help buying a broadband service. When this happens success follows.

The next biggest barrier is the lack of an affordable total package which includes an affordable home broadband rate and a computer. The ideal rate includes other key features that prevent people from adopting such as a credit check or long-term contracts and reduced installation and modem costs. As partners learned more about the difficulty of choosing a provider they have been clearer about the role they can play in educating clients. Meanwhile CETF unsuccessfully reached out to some of the largest broadband providers in the state to request a special rate that partners could offer their clients as incentive to subscribe.

Technology companies need to invest enough in an effective eco-system that includes targeted consumer education, affordable package and affordable technical assistance in order to see low-income communities Get Connected! Comcast was the first company to offer a strong program, although it needs continued promotion and process improvements to reach its intended audience.

Another important barrier is that many of the participants never used a computer or broadband. They felt it was outside the realm of possibility to learn technology. To overcome this challenge, BAA partners developed a broadband education curriculum that demonstrated the tangible and relevant benefits to being online. This helped clients see how they can save time and money which is a central message of the Get Connected! program. Again the curriculum included modules and materials on how to choose a broadband

provider. The broadband adoption curriculum included a script and worksheet that clients can use to call providers to compare "apples to apples" to see what works best for their individual needs. Clients were taught to be smart shoppers and negotiate for better rates or reduced costs for modems or installation. Some BAA partners have reached out to local representatives of the large providers and smaller ISPs that may be willing to provide some incentives. Some local ISPs were willing to participate but only in limited markets.

The fourth challenge was balancing the needs of the target population with the goal of increased adoption. In targeting low-income and other underserved clients, partners have found people who are interested in learning about computers and broadband. Unfortunately, many of them do not have the means to purchase a computer or face other financial barriers to subscribing such as the monthly fee or bad credit. These clients required more training and time to save in order to purchase a computer or subscribe.

7. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities. (150 words or less)

Three firms CETF does business with qualify as socially and economically disadvantaged small businesses.

SAESHE is a minority owned media placement firm. CETF used its own funds ($500,000) to pay for the advertising. These funds are not in the budget for the Broadband Awareness and Adoption budget, but in essence represent an in-kind contribution to the project. Therefore SAESHE is entered in the ARRA report submitted.

Core Bookkeeping is a minority woman owned business that handled the bookkeeping and provided the financial reports needed for federal reporting.

ISL is a minority owned firm that handled the internal IT for CETF, a portion which is paid for by this grant.

8. Please describe any best practices / lessons learned that can be shared with other similar BTOP projects (900 words or less).

In previous Annual Reports CETF has described several best practices. In this Final Annual Report below are excerpts from the report "Lessons Learned from the Field", that CETF published based on its work with the Broadband Awareness and Adoption (BAA) and Access to Careers in Technology (ACT) partners, the two federal grants awarded in 2010 to CETF by the National Telecommunications and Information Administration (NTIA). The report was compiled from information shared at quarterly in-person meetings and in interviews conducted by the Glen Price Group. Through these meetings, the 19 BAA and ACT partners formed Learning Communities for each grant, and as a combined group, with the intention of sharing their challenges and the subsequent solutions and Lessons Learned. The major lessons and key factors for success are summarized here and elaborated on the full report which can be found at http://www.cetfund.org/investments/overview/Get_Connected. Both grants had stretch goals yet achieved the intended outcomes.

The Four Major Lessons

1. Leverage Everyday Activities into Broadband Training and Curricula: How to engage participants with relevant training topics that will help drive new, sustainable home broadband adoptions.

2. Secure Job Placements in the Growing ICT Field: Strategies that have successfully helped program participants find jobs in Information and Communications Technology (ICT).

3. Drive Broadband Adoption by Offering Affordable Full Services: Service and resource combinations that are effective at driving (and securing!) adoptions along with affordable broadband and computing devices.

4. Pursue Sustainable Programs: How to integrate broadband adoption into other activities, such as health, education, financial literacy and community development.

Key Factors Needed for Success

1. Grantee Executive Leadership and Staff Management Capacity Are Essential

Executive leadership and management capacities make a significant difference in the ability of an organization to achieve results. Many grantees realized they needed to do a better job assessing their own capacity to manage a large grant. The key assessments leading to this conclusion included staff Digital Literacy skills,project management experience, and fundraising abilities. "Hire the best people", one grantee advised. It is important for partners to assess staff training needs before the start of a major new grant. If an organization is not hiring for new positions, think about how to help current staff members improve their skills with training, both at the outset of a new project and through ongoing coaching.

2. CETF Coaching and the Learning Community Were Essential to Reaching Goals

CETF, as an investment partner, regularly supported BAA and ACT partners by providing educational opportunities; project monitoring; coaching; and course correction management, which proved a critical factor in reaching success. CETF also strongly supported collaboration and active Learning Communities among grantees and other partners to help leverage resources and overcome challenges.

3. Thoughtful Work Plans in Advance Lead to Faster Recognition of Challenges
A successful work plan must be focused on results and accountability; accountability is essential to meeting program goals on time.

4. Anchor Institutions and Community Organizations Need to Revise How They Work to Ensure Clients Actually Obtain Broadband (Not Only Provide Information and Encouragement)
Often, organizations readily share information about how to subscribe to broadband service, however, they typically do not provide sufficient follow-up to ensure clients are prepared to complete the complex subscription process. Organizations must recognize the challenges inherent in purchasing broadband and obtaining a computer in order to effectively serve their program participants, regardless of any specific product or service.

5. Integrating Digital Literacy and Broadband Adoption Training into Existing Programs Is the Best Way to Ensure Sustainability and Continually Narrow the Digital Divide
Technology is not a stand-alone solution. However, it is a powerful tool to gain opportunity, be it access to better health care, key financial information, a higher-paying job, or improved educational options. Teaching Digital Literacy in the context of seeking the core organizational outcomes will lead to sustainable adoption.