ANNUAL 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

05-43-B10591

3. DUNS Number

801866984

4. Recipient Organization

Connect Arkansas, Inc. 200 S Commerce STE 400, Little Rock, AR 722011766

5. Current Reporting Period End Date (MM/DD/YYYY)

12-31-2012

6. Is this the last Annual 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

Sharon   Walburger

Grants Compliance Officer

7c. Telephone (area code, number and extension)

501-374-9247

7d. Email Address

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7b. Signature of Certifying Official

Submitted Electronically

7e. Date Report Submitted (MM/DD/YYYY):

02-15-2013

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).

The Connect Arkansas mission does not favor one broadband technology over another. Our mission states that Connect is "technology neutral" and not concerned with how or what a person uses to access broadband as long as they are utilizing it in some way. Connect Arkansas pushes all broadband technologies regardless of brand, type, or speeds.

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
Little Rock School District	1	88	145	Equipment was deployed to students who have completed the Technology Training course and are on free/reduced lunch at their school.
Cosmic Sales	1	125	640	Equipment was deployed to students who have completed the Technology Training course and are on free/reduced lunch at their school.
Totals		213	785	

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).**

Connect Arkansas purchased equipment for students in our Computers for Kids program. These Computers were purchased from the Little Rock School District until the demand for computers became too great for the LRSD supply chain. At this point Connect Arkansas began working with Cosmic Sales Inc. of Valencia California as a supplier. This change in supplier necessitated a change in price point for the computers as well as having to facilitate storage of the computers in Little Rock and truck rental for delivery by Connect Arkansas staff to each distribution to students. Connect Arkansas is also evaluating other suppliers in the state of Arkansas in an attempt to stimulate the economy locally. Connect received funds to purchase up to 1,710 refurbished computers for distribution to scholarship recipients. Each student who receives a computer is required to be on free/reduced lunch status at their school and complete the Technology Training program.

Minimum specification for each computer is as follows:
Monitor, Mouse & Keyboard
Pentium 4 Processor
256 MB of Memory
10GB Hard Drive
Windows XP Operating System
Office Software Suite

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	2,215	2,215	4,430
ESL	0	0	0
GED	0	0	0
College Preparatory Training	0	0	0
Basic Internet and Computer Use	1,650	1,039	6,846
Certified Training Programs	0	0	0

Types of Access or Training	Number of People Targeted	Number of People Participating	Total Training Hours Offered
Other (please specify): Entrepreneurship Training	2,895	2,907	11,472
Total	6,760	6,161	22,748

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).

Connect Arkansas believes that all of our programs have had some kind of social successes through out 2012. Through our programs, we have taught over 6,700 people in total how to utilize the internet to enhance their quality of life and their overall economic status. They have learned the importance of the internet in their everyday lives and how they can apply what they've learned by starting an online business, conducting research for their next report, how to utilize high speed internet for use in the medical field, etc.
Please refer to attachment 2012_ PPR_ SBA Annual Performance Progress Report Question 4.pdf

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).
0	**Connect Arkansas defines a broadband adopter as "someone who has changed the way they are utilizing the internet from the way they used it before". In November of 2012, Connect conducted a follow up survey to the one conducted in 2011. The new survey concluded that there were 220,000 new broadband subscribers in the 57 county Grant service area from January 1 through November 15, 2012. Compared to the end of year 2011 results of 11,471, this is a major improvement of over 1,800 percent.** **Connect's programs are having an effect on the people of Arkansas and seem to be making an impact for the better. We are helping to change the way the population of our high-need areas are thinking in terms of economic viability, economic sustainability, and how the internet can positively impact their lives.** **Connect Arkansas has not yet developed a reliable method for measuring adoption and are still experiencing issues for quantifying adoption rates. We would be open to suggestions on how to measure broadband adoption rates going forward that were developed by other grantees.**

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 most common barriers Connect Arkansas has identified several barriers to broadband adoption during the past year with the two most common being lack of access to computers and broadband internet at the household level. Connect has attempted to address the first issue through our Computers for Kids program. The Computers for Kids program is split in to two main sections: the scholarship portion and the discounted computers portion. Connect has received funds through the SBA program to supply 1710 refurbished computers to children in 57 counties who qualify for free or reduced lunch and do not have a computer in their home at this time. To date, we have distributed 1039 computers to students. Through the discounted computer program, Connect has provided a resource for people to purchase high quality refurbished computers through a supplier in California. These computers are priced very well at $150 for purchase by disadvantaged families. The website is: www.arkcomputers4kids.com.
The second barrier, access to affordable broadband, is being addressed through our discounted broadband program. This program, although not mentioned in the SBA grant, is in the planning stages and will address the affordable broadband issue by working with broadband providers throughout the state to offer discounted broadband packages for consumers within their service area. Several smaller providers in the state have shown interest in an incentive program for low income families with school age children. More information about this program will be discussed in future quarterly reports.

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)

Connect Arkansas has not made any subcontracts or sub grants to socially and economically disadvantaged small businesses at the time of this report.

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

Entrepreneurship Curriculum:
The portion of our program focused on social media is constantly changing due to changes in the eCommerce and social media arena. We spend a significant amount of time in the office tracking current trends to communicate to students.
In the classroom our ability to provide full functionality when creating websites (download pictures and other media) is dependent upon broadband connection in the school. Since we are running up to 25 instances of the website development tool at any given time in the classroom some school networks slow down.

Technology Training:

Scheduling conflicts with sites and schools being closed for the summer and holidays contributed to additional grouped counties being pushed to a later date. We have encountered an issue with reaching children that are eligible in some counties. The instructor is passing sign up information through the school districts for distribution to the children, however in some cases we have found that the information is not making it down to the kids. The Commissioner of the Arkansas Department of Education and the Executive Director of the Arkansas Association of Educational Administrators have volunteered to help raise the profile of the program in the counties remaining in the program.

Computers for Kids:
The problem of having computers available from the supplier due to shortage in equipment from Little Rock School District continued to be an issue during this quarter (please refer to last quarterly report for past details). This supply issue became untenable when Advanced Technology Classes and Computer Deliveries were delayed. A mutual agreement to end the contract between Little Rock School District and Connect Arkansas was the result of discussions between Connect Arkansas management and the representative of the Little Rock School District. Currently refurbished computers for the scholarship program are being obtained from a distributor in California, however the opportunity for Little Rock School District begin supplying computers for the program is a future option provided LRSD can provide computers financially and technically comparable to other sources being used.
The fourth delivery from the supplier in California did not contain power cables. This was not noticed until the day of the delivery of the computers. The recipients of the computers were very understanding and Connect mailed out power cables within 4 business days to the addresses that had been supplied to the instructor of the technology class. The supplier and Connect Arkansas worked to find a solution to keep this situation from reoccurring. It was decided the best solution would be to photograph the pallets of computers prior to shrink wrap, as well as the contents of a sample set of boxes to ensure the contents were complete. The photos are then emailed to Connect Arkansas prior to freight pick up at the suppliers location.
A delivery from California was destroyed by shipping company Old Dominion in the month of June. Due to the scheduling the bulk shipments well ahead of the classes, replacement computers were on hand prior to the scheduled delivery to the families that completes the Technology Training.

Youth Entrepreneurship Showcase 2.0:
1st Qtr
Though no challenges or issues were encountered in the 1st quarter, the number of participating schools and quantity of business plans were far below stated expectations. The deficit is largely attributed to timing – school holiday schedule and inclement weather issues. Though intent to compete was expressed, many schools shared that the deadline to submit was a challenge for student teams at that time of the year.
To ensure overall project outcomes, an action plan was created to address these challenges. A plan has been developed to recruit new schools and teams and to adjust the schedule. In efforts to expand recruitment efforts beyond that of the more traditional instructor initiative project, partnerships have been developed with three student organizations, EAST (Environmental and Spatial Technology) Initiative with Entrepreneurship as the organizations' theme for the 2012-13 National Service Project, FBLA (Future Business Leaders of America) with e-commerce trainings at the state convention and regional workshops and in the classroom and Girl Scout Diamonds of Arkansas, Missouri and Texas with entrepreneurship/business planning trainings for the 2013 Cookie Sales Campaign. Additionally, instructors for the Entrepreneurship and E-commerce classes conducted by the Connect Arkansas will communicate the importance of the YES 2.0 business plan competition as a way to apply the academic lessons taught in the classroom. This multi-dimensional approach will drive participation rates for upcoming competitions.
2nd Qtr
The presentation to Arkansas teachers is one way in which AEAF (Arkansas Economic Acceleration Foundation) is targeting area high schools in order to provide further information and assistance in competing in the business plan competition. The presentation was made alongside Connect Arkansas staff, who have continually promoted Y.E.S. 2.0.
3rd Qtr
AEAF has been working with Connect Arkansas staff to create promotional and educational strategies for cultivating interest in and knowledge of the business plan competition.

4th Qtr
The goal continues to be increasing school participation. Connect Arkansas has been a major help in contacting school district administrators and the key contacts for FBLA (Future Business Leaders of America), DECA (Distributive Education Clubs of America), EAST (Environmental And Spatial Technologies) Initiative, etc. Through these increased efforts to publicize the competition, AEAF (Arkansas Economic Acceleration Foundation) and Connect Arkansas hope to see a significant increase in the number of teams and high schools competing in 2013.