

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) 12-31-2013	6. Is this the last Annual Report of the Award Period? <p style="text-align: center;"> <input type="radio"/> Yes <input checked="" type="radio"/> No </p>	
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 Amber Whitt Compliance Analyst	7c. Telephone (area code, number and extension) 501-374-9247	
	7d. Email Address awhitt@arcapital.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-26-2014	

PROJECT INDICATORS				
<p>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.</p>				
<p>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).</p>				
Manufacturer	Item	Unit Cost per Item	Number of Units	Narrative description of how the equipment and supplies were deployed
Cosmic Sales	1	125	420	Equipment was deployed to students who have completed the TEchnology Training course and are on free/reduced lunch at their school.
eSCO Recycling	1	114	52	Equipment was deployed to students who have completed the Technology Training course and are on free/reduced lunch at their school.
Totals		239	472	
Add Equipment			Remove Equipment	
<p>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 Cosmic Sales Inc. of Valencia California as a supplier for the majority of this program year. We continued to look for a local (Arkansas-based) supplier and during the final quarter were able to test purchasing refurbished computers from eSCO Recycling in Rogers, AR. 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</p>				
<p>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 <u>cumulatively</u> 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 <u>completed</u> the course.</p>				
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	6,165	6,165	16,280	
ESL	0	0	0	
GED	0	0	0	
College Preparatory Training	0	0	0	
Basic Internet and Computer Use	6,067	4,560	27,111	
Certified Training Programs	372	292	1,460	
Other (please specify): Entrepreneurship Ed.	5,098	5,093	19,608	
Total	17,702	16,110	64,459	

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 2013. Through our programs, we have taught over 10,000 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, looking for a job, staying in touch with family, using high speed Internet in medicine, etc. Please refer to attachment: 2013_PPR_SBA Annual Report, 4, class totals

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).
69	<p>Connect Arkansas has been engaging in structured survey research, contracted to a local marketing firm, for the past three years. 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". Based on a survey of 600 Arkansans, the survey found, "The percentage of Arkansans who have "high speed" Internet access, also known as broadband or DSL, is on par with national trends for the third straight year. Currently, eighty percent (80%) of Arkansans use the Internet in some capacity. This is a 2% increase from 2012. There still exists an education gap between those with less than a high school education and those with a college education (+45%). An income gap exists between those who earn less than \$25,000 annually and those who earn \$100,000 annually (+27%). Finally, there is an age gap between those who are eighteen to thirty-four years old and those older than sixty-five (-24%). In the 2012 data, 75% of Arkansans used the Internet – at least occasionally. This shows that Arkansas continues to make slow, steady progress.</p> <p>Today, sixty-nine percent (69%) of Arkansans have "high speed" Internet, also known as broadband or DSL, in their home. This is a two percent (2%) decrease from 2012; however, this is well within the survey's margin of error (+/- 4.00%). In June of 2013, Pew Research found that seventy percent (70%) of individuals nationwide had broadband in their home Arkansas, again, compares very favorably with national broadband adoption. According to our most recent survey, only thirty-three percent (33%) of Arkansans with less than a high school education have broadband. Fifty-three percent (53%) of Arkansans older than sixty-five have broadband in their home. There still exists a wide income gap between those who earn less than \$25,000 annually (52%) and those who earn more than \$100,000 annually (94%).</p> <p>Similar to 2011 and 2012 data, broadband adoption continues to be based on socio-economic factors. For example, thirty three percent (33%) of those with less than high school education have broadband. On the other hand, fifty-six (56%) of high school graduates have broadband. To greater emphasize this point, eighty-nine percent (89%) of college graduates have broadband. This is a 56% gap. Again, there is a forty-two percent (42%) income gap between those who earn \$100,000 annually and those who earn less than \$25,000 annually."</p>

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)?

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 affordable broadband internet at the household level. Connect has attempted to address the first issue through both the Computers for Kids program and the Discount Computers program. The Computers for Kids program is split in to two main sections: technology training and scholarship computers. Connect has received funds through the SBA program to supply 1710 refurbished scholarship 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 1624 computers to students, and obtained state funding to expand the program into all 75 counties of the state. The technology training portion of Computers for Kids allows families to learn together the advantages of computer use, Internet awareness and safety, and the broadband service providers accessible at their specific address.

Through the discounted computer program, Connect has provided a resource for people to purchase high quality refurbished computers through a supplier in California. We have recently switched to another Microsoft-authorized provider out of Chicago and now offer three levels of desktop and two levels of laptop computers available. These computers are refurbished and are priced very well 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.

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 Education

Certain portions of our program focused on different technologies and social media which are constantly changing due to changes within those industries. We spend a significant amount of time in the office tracking current trends to communicate to students. Using organized, efficient methods to keep up with shifting trends is helpful. We use Google Alerts and an RSS feed reader to keep updated. Twitter can also be a useful tool. Creating user lists of those in targeted roles and industries can help gain interesting insights.

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:

Again this year we saw a dip in classes during the summer months as it becomes more difficult to promote courses outside of the school environment. Locations to hold courses are also an issue outside of the school setting. Classes moved along well during the fall, with an increase in the number of eligible participants registering. This year we also shifted to holding classes in for one county at a time, rather than combining classes. This move saw increase in course completion. The addition of printed hand-outs for participating family members has been helpful, as has the increase in the number of instructors. We are still waiting for the survey monkey results of the pre and post-tests implemented in the fall, but all brief reviews indicate satisfaction with the classes, instructors, and level of information provided.

Computers for Kids:

One of the greatest issues with this program in the past has been the reliability of computer suppliers. During the majority of this year Connect Arkansas worked with a supplier out of California, while researching and considering other available sources. The California supplier had presented some problems, with shipments not containing all components, etc. In the final quarter of this year we began working with eSCO Processing and Recycling out of Rogers, AR. Working with eSCO, Connect Arkansas now purchases government surplus computers, which are then shipped to eSCO, refurbished, and warehoused for Connect in Little Rock. When we have a delivery we simply pick up the required number of computers, each packed in two boxes, and deliver them to the Technology Training graduates. We are very pleased to have located an Arkansas source for the Computers for Kids program, extending the impact of the program on the local economies.

Business Technology Training: This program was completed this year. We were very gratified to have completed the program with such success and particularly pleased with the use of social media to promote course enrollment. In rural areas, use of Facebook, Twitter and websites often reach otherwise untargeted individuals and businesses.

Senior Digital Literacy:

This program has been a big success, and is contracted through one of our most successful relationships, with the University of Arkansas at Monticello. As with the Distance Health program, we learned that a strong education base, already in place, is an invaluable asset in program delivery.

Discount Computers:

This program has switched vendors as well, away from the California company that previously supplied computers for the Computers for Kids program. We anticipate the more broad offering to be an advantage, but are disappointed that the price-point per unit increased.

Youth Entrepreneurship Showcase 2.0:

This program successfully concluded in the second quarter of this year. The overreaching success of this program rests in the fact that it was conducted well and attracted the attention of program sponsors. The Arkansas Economic Acceleration Foundation, an affiliate of the Arkansas Capital Corporation has taken this program over and is continuing its mission of developing young entrepreneurs.