

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) 12-31-2014	6. Is this the last Annual Report of the Award Period? <p style="text-align: center;"> <input checked="" type="radio"/> Yes <input 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 Renetta Cheatham Compliance Officer	7c. Telephone (area code, number and extension) 501-374-9247	
	7d. Email Address rcheatham@arcapital.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 03-31-2015	

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 advocates for 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
eSCO Processing and Recycling, LLC	1	90	63	Equipment was deployed to K-12 students who have completed the three-part Technology Training course and are on free/reduced lunch at their school.
eSCO Processing and Recycling, LLC	1	125	750	Equipment was deployed to K-12 students who have completed the three-part Technology Training course and are on free/reduced lunch at their school.
Totals		215	813	
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 from the Little Rock School District until the demand became too great for the LRSD supply chain. At this point Connect Arkansas began working with Cosmic Sales, Inc. of Valencia, CA as the supplier. This change necessitated a change in price point for the computers as well as having to rent storage space for the computers in Little Rock and truck rental for delivery by Connect Arkansas staff for each distribution to students. We have now transitioned to using a vetted refurbisher/recycler based in Arkansas, eSCO Processing and Recycling, LLC, based in Rogers, AR. This supplier not only ships the computers/monitors boxed with all components to Little Rock for easy distribution, but also covers the warehousing costs. We have been very pleased with their product and are gratified that the resources may be put back into the local economy. Connect Arkansas initially received funds to provide technology training and computers for 1,710 families on free or reduced lunch through the Computers for Kids program. We have exceeded this goal and have distributed over 2,141 computers to families across the state, providing over 32,000 hours of digital literacy training to qualifying Arkansas families. Minimum specifications for each computer are as follows: RAM: 512 MB HDD: 40 GB CPU: 2.0 GHz OS: Windows 7 or newer Monitor: 15 inch LCD or larger Mouse, Keyboard, all cables and cords</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 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.</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	2,215	3,950	11,850	
ESL	0	0	0	
GED	0	0	0	
College Preparatory Training	0	0	0	
Basic Internet and Computer Use	1,710	2,841	34,215	
Certified Training Programs	300	312	1,248	

Types of Access or Training	Number of People Targeted	Number of People Participating	Total Training Hours Offered
Other (please specify): Entrepreneurship Ed.	2,895	4,742	18,968
Total	7,120	11,845	66,281

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 our programs have had a significant impact on Arkansans in both economic and social aspects. Through the SBA funded portion of our operation, we have trained face-to-face over 9,500 individuals, often from the most vulnerable populations least likely to access the Internet. In Arkansas, the most common barriers to Internet usage are relevance to the consumer, digital literacy of the consumer and cost of access to services, with each pulling in 30% or more of those surveyed. By bringing training and equipment to thousands of Arkansas school-aged children and their families, we have made not only their educational goals more attainable, but brought a means to apply for jobs, continue adult education, communicate with family and work and more to the nearly 6,000 family members reached by the Computers for Kids program. Likewise, the Senior Digital Literacy program has reached hundreds of Arkansas seniors, making healthcare, finances, safety and communication a greater part of their lives. The accomplishments of the Telehealth program have been felt statewide, ensuring citizens have greater access to competent and timely healthcare services through the telemedicine training their local health care providers are receiving. And the entire package of Entrepreneurship Education has brought real-world business education, website development and other skills to not only young people in the state, but to the over 3,000 people who visit the Arkansas SourceLink website annually for modules on business development, website design and more

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>New household subscriber counts for Arkansas during the duration of the Sustainable Broadband Adoption grant totaled 80,296. This number is a reduction compared to previously reported numbers (145,200 in the Q3 PPR) due to a change in methodology in our survey methods. Previously, Connect Arkansas gathered survey statistics at the individual level instead of the NTIA requested household level. This methodology resulted in a higher than actual new subscriber count achieved during the course of the grant. Naturally, there are less households than individuals in the state of Arkansas. The total state population for 2010 is 2,915,918 in the states versus 1,315,299 households. The final, official, household subscriber count of 80,296 has been adjusted to reflect the differences in households vs. population. The first survey conducted by Connect Arkansas, in order to establish a baseline, occurred in 2011 immediately following the award of this grant. The baseline survey showed that 816,105 (69%) households in Arkansas at that time were subscribing to internet in the home. The most recent survey, conducted in November 2013, shows that 908,246 (69%) of Arkansans subscribed to the internet in their home. These surveys show that between 2011 and 2013, there was an increase of 92,140 (7%) households subscribing to the internet in their homes across the state. Connect Arkansas gathers household broadband subscriber data through an annual survey conducted via telephone interviews of a statistically significant sample size of just over 600 Arkansans. The most recent survey was completed in November of 2013 and released on January 5, 2014. There is a margin of error of plus/minus 4.00 percentage points in 95 of 100 cases.</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)?

In Arkansas, the most common barriers to broadband adoption are equally tied between Digital Literacy of the Consumer, Relevance to the Consumer and Cost of Access (to both the equipment and Internet) for the Consumer. While this is more than two, they each weigh in at between 30-35%. To address those barriers, Connect Arkansas developed programs to educate the state's most digitally illiterate populations, promote high speed broadband access, get equipment into homes, and work with Internet Service Providers to enable low cost access to high speed broadband. The Computers for Kids program provides a free Internet-ready desktop computer to families on the federal National School Lunch Program who have completed a three part technology training program. They are provided with the names of the Internet Service Providers (ISP) in their area, and may work with them on reduced-fee services to their home. Through this program we have assisted 2,141 families by placing a computer in their home. Connect Arkansas also provides training for senior citizens at Senior centers and libraries across the state. Three hour classes cover the basics of computer operation, email, and Internet navigation. Over 700 students went through this program, opening new worlds to them and overcoming basic digital literacy obstacles. And through the Discount Computer program, Connect Arkansas provides a resource for people to purchase high quality refurbished computers, both desk tops and laptops. The computers are priced low, and may be customized for each consumer. They are simply ordered on-line and shipped directly to the consumer. The Broadband Incentive program also provides for some assistance with the cost of broadband services. Connect Arkansas currently works with 13 of the 80+ Internet Service Providers in the state to provide discount broadband packages for consumers in their service area. Several smaller providers in the state have shown interest in an incentive program for low income families with school age children. All participants in any Connect Arkansas class are taught how to go on-line to our interactive map and determine their ISP.

Active Marketing campaigns have helped make Arkansans more aware of the benefits of Internet usage, and the value of high speed broadband to their homes, at school, and at work.

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.

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

The greatest lesson Connect Arkansas has learned as a part of this process is that there is a tremendous need to receive training and education concerning how to best utilize high speed broadband and the Internet. As populations needing the training and access vary, so the services provided needed to be flexible to meet the needs of each audience. Through our Computers for Kids program we learned that the program doubles in effectiveness by combining technology training for the entire family with the donation of a computer-the family comes away with the tools and the most effect method for using them. By adding something as simple as handouts of slides and a pre and post course evaluation, we improved the response to the program. Through the Entrepreneurship Education program and Y.E.S. 2.0 we learned that schools and young people have a voracious appetite for trying new things, and that given the tools, they will quickly learn and adapt to utilize the technology (whatever the medium) to its best advantage. Education and training for young people needs to be highly interactive, yet flexible, and will be most well received by the educators if it fits within their frameworks due to restricted class times and increased standardized testing. Providing web-based supplemental educational modules such as those offered on Connect Arkansas' Arkansas SourceLink website expand the possibilities of outreach and reaching budding entrepreneurs/students at their convenience.

Providing classes for seniors was not challenging, as we worked with a local university on curriculum and process. This audience was simply never ending, with requests for repeat classes continuing to flow in. As an audience which was truly, significantly impacted by the training, we learned that this program really reached seniors in a meaningful way. Toward the end of the program we began to break it down into basic and advanced sessions, to more clearly target their ability levels, and allowed participants to bring their own laptops so that they would feel most comfortable.

The Telehealth portion of the grant was completed some time ago, and was a tremendous success. Through a partnership with the University of Arkansas for Medical Sciences (UAMS), Connect Arkansas was able to partner with UAMS on development of the telemedicine network across the state. UAMS was the ideal partner on this project and showed us the value of working with professionals to achieve mutually beneficial goals.

A similar situation led to the contracting of the Arkansas Small Business Technology Development Center for small business technology training classes. With instructors and curriculum already in place, Connect was able to extend the ASBTDC's reach and provide small businesses with classes targeted to an on-line presence.

And very significantly, Connect Arkansas learned that if we built it they would come--to the interactive maps displaying high speed broadband service. These maps have been used extensively by the public since they were first constructed, and continue to help Arkansans develop business growth strategies, neighborhood location and more based on service availability. Connect Arkansas' broadband mapping has been sited as the authoritative resource in the field and continues to be heavily accessed.