

RECIPIENT NAME:Connect Arkansas, Inc.

AWARD NUMBER: 05-43-B10591

DATE: 11/20/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

### QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

#### General Information

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b> Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b> 05-43-B10591	<b>3. DUNS Number</b> 801866984
<b>4. Recipient Organization</b>  Connect Arkansas, Inc. 200 S Commerce STE 400, Little Rock, AR 722011766		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b> 09-30-2012	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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.</b>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Sharon Walburger  Grants Compliance Officer	<b>7c. Telephone (area code, number and extension)</b> 501-374-9247	
	<b>7d. Email Address</b> swalburger@arcapital.com	
<b>7b. Signature of Certifying Official</b> Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b> 11-20-2012	

**Project Indicators (This Quarter)**

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

**Distance Health:**

The LearnTelehealth.org/South Central Telehealth Resource Center team finished our third quarter of 2012 by extending our resource center's website to 921 active members. That's an increase of 124 members this quarter.

In the third quarter of 2012, 233 health professionals at 80 sites received training. Additional face-to-face outreach visits were made to 8 sites.

The Outreach Specialists have exhibited and made quality contacts at the 2012 Women's Health Update. They are also scheduled to exhibit at the following Arkansas conferences during 4Q2012: Arkansas Hospital Association, Family Medicine Update, Northwest Arkansas Emergency Medicine Conference.

This quarter we began the initial planning, coordination and development of the first ever South Central Telehealth forum to be held in the Spring of 2013. Efforts included the development of a "Save the Date" website landing page and a "Save the Date" postcard.

**Entrepreneurship Curriculum:**

Since the overall grant goals of 1,530 students through the program was exceeded in June of 2012 our target is now to reach students in counties within the 57 county service area that we have not to date held a class in. We are working with two partners, the EAST (Environmental and Spatial Technology) Initiative and the Arkansas State Library to reach different student audiences than the traditional classroom. The number of students taught and websites created directly in classes during the summer quarter was 135 in 13 rural libraries.

**Arkansas Sourcelink:**

Connect Arkansas contracted with Great Circle Studios out of Tampa, Florida to build the online venture forum application which we have titled Arkansas Venture Connect.

Arkansas SourceLink has been working with U.S. SourceLink to implement the mentorship application which has been titled Arkansas Mentor Connect.

Arkansas SourceLink, in conjunction with the Connect Arkansas entrepreneurship e-commerce team, continued work on a video curriculum to be posted within the digital learning center of the Arkansas SourceLink website. The goal of the curriculum is to take a would-be entrepreneur from little to zero knowledge to business owner through roughly 17 lessons on a variety of topics.

In the 3rd Quarter of this year the Arkansas SourceLink website has had 832 Visits, 542 Unique Visitors, and 3252 Pageviews.

**Technology Training:**

A total of 9 counties were served this quarter with introductory & advanced courses held for Sevier, Little River, Miller, Lafayette, Mississippi, Poinsett, Cross & Crittenden counties. There was also an introductory course held for Montgomery county.

**Computers for Kids:**

Scholarship Computers – A total of 852 computers have been completed and shipped to the locations requested by Connect Arkansas. A total of 150 were delivered in 8 counties during the course of the third quarter of 2012.

**Youth Entrepreneurship Showcase 2.0:**

A presentation regarding the 2013 Y.E.S. 2.0 competition was made to the Arkansas Department of Career Education (ACE). ACE teachers participate in Distributive Education Clubs of America, Future Business Leaders of America, and Phi Beta Lambda which are key student groups focused on business education in high schools. During the presentation, teachers were provided competition information and resources on implementing entrepreneurial education in their classrooms.

**Marketing:**

Marketing activities for the third quarter of 2012 include the development of revised collateral for the Connect Arkansas programs, a new advertising campaign to promote relevancy and the next round of statewide survey gathering. The new collateral will include an updated overview brochure along with program documentation on various Connect Arkansas programs. The relevancy ad campaign will begin November 2012 and will end February 2013 and will include newspaper, radio and tv ads. The second statewide survey is set to begin in November 2012.

Please see Narrative Attachment for details of all projects.

**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)
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	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	Overall Project	43	N/A
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).**

Youth Entrepreneurship Showcase 2.0:  
 Our main goal now is to increase school participation. The presentation to Arkansas teachers is one way in which AEF 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 in their endeavors.

**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
Various	Arkansas	Please see attached spread sheet Q3-2012_PPR_SBA Performance Progress Report 4a	4,780	5,995	0	0
<b>Total:</b>			<b>4,780</b>	<b>5,995</b>	<b>0</b>	<b>0</b>

**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).**

New subscriber counts from Connect Arkansas are 11,471. We arrived at this number through surveys concluded during calendar year 2011. We took the difference between the number of households who said they were broadband subscribers in the January and December 2011 surveys. From there, we applied that number percentage wise to the total number of households statewide to arrive at our number 11,471. If we were not surveying at least twice each year, we would have no other way to arrive at this number. The survey's conducted in 2011 were on a statewide basis due to the all inclusive programs Connect Arkansas employs across the state to influence broadband adoption and subscription. Connect Arkansas is unable to report survey numbers specifically for the SBA service area because of the random, statewide sample selections chosen for these surveys. The latest survey, for 2012, will begin in November with numbers being reported in the Q4 report.

Connect Arkansas is also starting to look at numbers based on surveys of families involved in the Technology Training classes. The scholarship computer application asks the applicant if they are currently subscribed to high speed internet. It also asks the applicant if they plan to subscribe after being awarded a computer. At this time, a database is being compiled of all applicants so they can be contacted to determine which of those actually became new 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).**

Subscriber numbers listed in the baseline are 32,000 for Q3 2012. As described question 4b, the most reliable way for Connect to determine new subscriber numbers for Arkansas is through periodic surveys. Since our funding only allows for one survey per year, Connect will not be able to report new numbers until we complete the Q4 2012 Performance Progress Report.

**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 : 0
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**Project Indicators (Next Quarter)**

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

**Distance Health:**

The following items have been identified as areas to improve in the coming quarter in regards to the Distance Health Program:

Additional site memberships

Additional telehealth courses

Additional telehealth face-to-face trainings and site visits

Additional consultations to CAI's and other groups interested.

**Entrepreneurship Curriculum:**

During the fall 2012 school year we will be focusing on the EAST program and support of the National Service Project on Entrepreneurship. Training sessions are scheduled during October and November in little Rock and Fayetteville for up to 50 total schools from across the state. The registration for this is being driven by the EAST corporate organization. At this time 27 schools have signed up to participate.

**Technology Training:**

The trainer has planned to serve 12 more counties by December 2012.

**Youth Entrepreneurship Showcase 2.0:**

As was mentioned in the last report, we are creating promotional save-the-date materials for Y.E.S. 2.0 to be sent to all schools with 9-12th grades. After assessing the best times in which to send these materials, we have pushed their mail date to the beginning of January in order to increase interest closer to the competition time line. These materials will be created and printed in the next quarter. collateral updates and website improvements will be completed in 4th Quarter.

**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	75	N/A
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).**

**Technology Training:**

The next quarter holds two major holidays, Thanksgiving & Christmas in which school will not be in session which could affect advertising.

**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.

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		
Cost Classification	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Personnel	\$1,351,220	\$456,207	\$895,013	\$585,454	\$261,634	\$323,820	\$670,345	\$292,868	\$377,478
b. Fringe Benefits	\$351,317	\$118,614	\$232,703	\$141,692	\$63,885	\$77,807	\$163,691	\$72,006	\$91,685
c. Travel	\$100,600	\$0	\$100,600	\$27,843	\$0	\$27,843	\$34,974	\$0	\$34,974
d. Equipment	\$101,000	\$0	\$101,000	\$88,370	\$0	\$88,370	\$91,620	\$0	\$91,620
e. Supplies	\$37,201	\$0	\$37,201	\$22,949	\$0	\$22,949	\$25,244	\$0	\$25,244
f. Contractual	\$1,539,169	\$393,944	\$1,145,225	\$902,656	\$227,154	\$675,502	\$1,066,757	\$276,325	\$790,433
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$967,586	\$10,000	\$957,586	\$141,142	\$4,928	\$136,214	\$219,135	\$5,155	\$213,980
i. Total Direct Charges (sum of a through h)	\$4,448,093	\$978,765	\$3,469,328	\$1,910,106	\$557,601	\$1,352,505	\$2,271,766	\$646,354	\$1,625,414
j. Indirect Charges	\$291,892	\$58,482	\$233,410	\$105,140	\$32,503	\$72,637	\$123,555	\$34,946	\$88,608
k. TOTALS (sum of i and j)	\$4,739,985	\$1,037,247	\$3,702,738	\$2,015,246	\$590,104	\$1,425,142	\$2,395,321	\$681,300	\$1,714,022

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
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