QUARTERLY 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	**05-43-B10591**	**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)	6. Is this the last Report of the Award Period?
12-31-2012	○ 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)
Sharon Walburger	501-374-9247
	7d. Email Address
Grants Compliance Officer	swalburger@arcapital.com

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	02-13-2013

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 at UAMS (University of Arkansas for Medical Sciences) finished the fourth quarter of 2012 by extending the resource center's website to 1,039 active members for an increase of 118 members this quarter.

From October through December 2012, 185 health professionals at 41 sites received training. Face-to-face outreach visits were made to 3 additional sites. UAMS has exhibited and/or presented at several conferences in Arkansas and Tennessee developing 90 new contacts for the program.

The learntelehealth.org added 118 members to the community of online healthcare professionals bringing the total number to 1039 members. During the fourth quarter, 121 online learning modules were attempted.

The UAMS team continues to develop and execute plans for the 1st Annual South Central Telehealth Forum to be held in Little Rock on April 4-5, 2013 Over 20 speakers highly-experienced in implementing telehealth networks and programs will participate in this conference.

Entrepreneurship Curriculum:

A limited number of classes were held from October to December as the focus was on developing entrepreneurship informational and training tools on-line to provide statewide reach to students who are focused on entrepreneurial learning. Support for the EAST (Environmental and Spatial Technology) Initiative (www.eastinitiaive.org) 2012-2013 National Service Project focused on Entrepreneurship is on-going. The number of students taught and websites created directly in classes during Q4 was 319. Classes were held in Howard, Little River, Miller and Pope Counties along with the 4 EAST Initiative sessions held at the EAST Labs in Little Rock and on the University of Arkansas Fayetteville Campus. These 4 EAST sessions included students statewide. With the additional 319 students reached in Q4 the total number of students reached through the program is 2,108.

Arkansas Sourcelink:

Arkansas SourceLink conducted feedback visits with whom we saw as various stakeholders in both the Arkansas Venture Connect and Arkansas Mentor Connect modules.

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.

Arkansas SourceLink has also placed a new emphasis on creating original content to be pushed out through various social media channels. Arkansas SourceLink staff have been assigned the task of blogging once a week about topics related to entrepreneurship and small business.

Technology Training:

A total of 9 counties were served this quarter with introductory & advanced courses held for Pike, Montgomery, Greene, Polk, Scott, Logan, Yell, Jackson and Woodruff counties. (Note Greene county was funded by Arkansas Community Foundation grant).

Computers for Kids:

Scholarship Computers – A total of one thousand thirty nine (1039) computers have been completed and shipped to the locations requested by Connect Arkansas.   A total of one hundred eighty seven (187) were delivered in nine (9) counties during the course of the fourth quarter of 2012.

Youth Entrepreneurship Showcase 2.0:

The Y.E.S. 2.0 competition began accepting Intents to Compete on December 20, 2012. The competition website is accepting Intent to Compete submissions until 3:00 P.M. February 1, 2013. Teachers, school district administrators, and other public relations contacts have been notified of the competition and the Intent to Compete deadline.

Marketing:

Connect Arkansas launched an advertising campaign promoting high-speed Internet relevancy. The campaign launched in November with newspaper and radio ads running across 57 counties and has resulted in 150 plus calls for more information plus a 40% month over month website traffic increase. The connect-arkansas.org website was redesigned and enhanced with easier to use navigation and more robust content.

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)

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	Overall Project	53	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).

Technology Training:
This quarter held two major holidays, Thanksgiving and Christmas. The trainer also held double courses for Greene county.

Youth Entrepreneurship Showcase 2.0:
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.

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	Various	Please see attached spread sheet Q4-2012_ PPR_ SBA Performance Progress Report 4a	6,025	7,531	0	0
Total:			**6,025**	**7,531**	**0**	**0**

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 for the 4th quarter of 2012 are 220,000. We arrived at this number through surveys conducted during the month of November 2012. This number is reflects all survey respondents in the 57 county SBA Grant service area for 2012.

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 for Q4 of 2012 is 39,000 for households and 3,600 businesses. Connect Arkansas has exceeded both combined numbers by a total of 177,400 new subscribers in the Connect Arkansas SBA Grant service area.

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

Project Indicators (Next Quarter)

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

Distance Health:

For the next quarter, we plan to report:
- Additional site memberships;
- Additional telehealth courses and training resources that will be developed;
- Additional telehealth face-to-face trainings and site visits; and,
- Additional consultations to CAIs and other groups interested.

Entrepreneurship Curriculum:

During the winter of 2013 we will be focusing on the EAST (Environmental and Spacial Technology) program and support of the National Service Project on Entrepreneurship.   The EAST National Conference will be held in late March. A training session will be held on-site during the conference along with our participation as judges for the National Service Project on-site competition. The registration for this is being driven by the EAST corporate organization. At this time 27 schools have signed up to participate. Additional focus will be on rolling out an updated website and content for Statewide entrepreneurial education.

Technology Training:

The trainer has planned to serve 8 more counties by March 2013.

Youth Entrepreneurship Showcase 2.0:

During the next quarter, AEAF will receive intents to compete, business plans, and will announce the winners of the 2013 Y.E.S. for Arkansas 2.0 competition. Business plans are due to AEAF online by 3:00 P.M. Friday, March 1, 2013. Business plans will be judged by local business men and women from March 1st until March 15th. The tentative announcement of winners is scheduled for Thursday, March 28th but may be announced sooner depending on the need for a semi-finalist round.

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**	64	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).

Youth Entrepreneurship Showcase 2.0:

Our goal is to double school participation by the end of the next quarter. Connect Arkansas has already assisted in reaching key contacts. In the next few months Connect Arkansas's assistance will be needed to recruit judges and maintain our contacts.

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.

Cost Classification	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		
	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Personnel	$1,083,420	$456,207	$627,213	$672,620	$282,844	$389,776	$749,500	$319,297	$430,203
b. Fringe Benefits	$282,317	$118,614	$163,703	$164,758	$69,800	$94,958	$184,750	$79,280	$105,470
c. Travel	$63,699	$0	$63,699	$31,258	$0	$31,258	$34,941	$0	$34,941
d. Equipment	$101,370	$0	$101,370	$101,370	$0	$101,370	$107,870	$0	$107,870
e. Supplies	$41,335	$0	$41,335	$24,020	$0	$24,020	$24,790	$0	$24,790
f. Contractual	$1,833,169	$393,944	$1,439,225	$1,153,485	$312,176	$841,309	$1,315,697	$341,105	$974,592
g. Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Other	$1,057,784	$10,000	$1,047,784	$218,822	$6,128	$212,694	$274,262	$6,355	$267,907
i. Total Direct Charges (sum of a through h)	$4,463,094	$978,765	$3,484,329	$2,366,333	$670,948	$1,695,385	$2,691,810	$746,037	$1,945,773
j. Indirect Charges	$276,892	$58,482	$218,410	$123,977	$37,054	$86,923	$139,963	$41,201	$98,762
k. TOTALS (sum of i and j)	$4,739,986	$1,037,247	$3,702,739	$2,490,310	$708,002	$1,782,308	$2,831,773	$787,238	$2,044,535

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