

RECIPIENT NAME:Connect Arkansas, Inc.

AWARD NUMBER: 05-43-B10591

DATE: 02/26/2014

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 6/30/2015

QUARTERLY 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 Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> 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 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 (This Quarter)

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

Arkansas SourceLink:

Arkansas SourceLink completed video curriculum for the digital learning website center. The curriculum develops entrepreneurs into business owners through 9 lessons. A licensed teacher will create curriculum support materials.

SourceLink continues to create original content for social media channels. During Q4, 11 posts were distributed through website and social media.

SourceLink participated in Global Entrepreneurship Week (GEW), promoting GEW activities on its website and social media. This year's GEW was November 18 -24, with events around central and northwest Arkansas.

Work continued on business incubator videos. One features the Helena Entrepreneur Center. It will be 5 minutes, featuring Dr. Murray of Phillips County Community College, those running the center, and entrepreneurs working at the center. Another features University of Arkansas for Medical Sciences BioVentures. Completed videos will go out using websites and social media feeds

Website maintenance to increase organic search engine rankings continues. Information is being condensed within sub-page headers for more organized sectional pages. Titles and keywords have been added into the backend and site copy.

The second annual Battle of the Brands competition has begun. Nominations will open in January, with voting in February or March. This will be heavily distributed through websites and social media feeds.

Technology Training

Eight counties received introductory and advanced technology courses this quarter: Benton, Drew, Marion, White, Poinsett, St. Francis, Johnson and Fulton.

Families particularly appreciate the Internet safety classes. Printed handouts of instructors' presentations allow parents to take notes during classes.

Two additional instructors have been added.

Computers for Kids

224 students and families received scholarship computers this quarter, with deliveries in single counties. A total of 1,624 computers have been delivered toward a goal of 1,710.

An Arkansas-based computer recycler was engaged this quarter. Units come boxed, ensuring all parts are included. The supplier warehouses computers for Connect Arkansas, eliminating the need for rental space.

Senior Digital Literacy

Senior Digital Literacy provided computer training on widely ranging topics from Internet safety and security to setting up an email account and using Facebook. Classes are three hours long and may accommodate up to 10 students. Thirty-seven classes serving 279 seniors were held in the fourth quarter.

Marketing:

Connect Arkansas launched the "Connect to Life" advertising campaign statewide via print, radio and TV in November, and running through July 2014. Ads will appear in 106 newspapers; 52 radio stations; 12 TV stations; and 5 cable markets. It reaches the entire state and drove 131 calls in requesting information about high-speed Internet and Connect Arkansas's programs.

Connect Arkansas issued seven news releases promoting Computer 4 Kids; 42 news releases promoting Adult Digital Literacy classes and one news release announcing a county website launch. Several articles appeared in local newspapers.

Connect Arkansas sent four monthly newsletters to the email database, with 1,400 subscribers. The average open rate was 27 percent.

A statewide telephone survey of 600 Arkansans was conducted to determine rankings in broadband Internet usage. 80 percent of Arkansans use the Internet. Arkansas compares favorably to national trends in broadband adoption.

The 2013 Connect Annual Report was finalized, highlighting programs and results for the past year. Copies are available on www.connect-arkansas.org and via print.

- CA Website: Oct. 1- Dec. 31, 2013 – 20,063 visitors/17,499 unique visitors. A 435% increase over last year.
- Sourcelink Web: Oct. 1 and Dec. 31, 2013-- 2,633 visitors/ 1,660 unique visitors. A 335% increase.
- Connect Arkansas Social: Facebook – 463 total likes (18 new likes in quarter); Twitter – 1,518 total followers (234 new followers in quarter)
- Sourcelink Social: Facebook – 124 total likes (5 new likes in quarter); Twitter – 1,270 total followers (222 new followers in quarter)

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)
2.a.	Overall Project	89	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).

N/A

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	See Attachment	9,048	11,685	0	0
Total:			9,048	11,685	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 3rd quarter of 2013 remain unchanged from the previous quarter at 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. New surveys were conducted during the 4th quarter of 2013. The data from these surveys will be available in the 1st quarter 2014 PPR.

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).

Connect Arkansas has exceeded all new subscriber numbers listed in the original SBA baseline by a total of 161,740 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).

Entrepreneurship

During the Q1 of 2014 we will be focusing on the ad hoc support of schools as requested.

Focus will also be placed on the finalization of the video curriculum discussed above. Videos have been shot but the additional content required for a viable curriculum needs to be created. We will work with a curriculum specialist to create these additional materials. We will also begin creating a distribution channel and plan for this video curriculum through present means or through an updated website and content for Statewide entrepreneurial education.

Technology Training

Course evaluations will be in-putted into Survey Monkey for a comprehensive overview of program success and areas for improvement.

Computers for Kids

Three trainers will be working during the next quarter. Courses have been scheduled for Cross & Pulaski counties, with additional courses on target and each trainer knowledgeable as to their goals.

Senior Digital Literacy

Final courses for this program have been scheduled and will be completed in the next 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	95	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).

N/A

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	\$1,088,420	\$456,207	\$632,213	\$996,203	\$424,292	\$571,911	\$1,072,580	\$455,727	\$616,853
b. Fringe Benefits	\$276,817	\$118,614	\$158,203	\$246,291	\$106,438	\$139,853	\$266,149	\$114,611	\$151,538
c. Travel	\$60,343	\$0	\$60,343	\$36,742	\$0	\$36,742	\$38,113	\$0	\$38,113
d. Equipment	\$75,370	\$0	\$75,370	\$75,370	\$0	\$75,370	\$75,370	\$0	\$75,370
e. Supplies	\$33,628	\$0	\$33,628	\$25,940	\$0	\$25,940	\$26,420	\$0	\$26,420
f. Contractual	\$1,870,669	\$393,944	\$1,476,725	\$1,745,949	\$399,908	\$1,346,041	\$1,797,770	\$399,908	\$1,397,862
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$1,077,847	\$10,000	\$1,067,847	\$977,345	\$7,278	\$970,067	\$1,068,106	\$8,400	\$1,059,706
i. Total Direct Charges (sum of a through h)	\$4,483,094	\$978,765	\$3,504,329	\$4,103,840	\$937,916	\$3,165,924	\$4,344,508	\$978,646	\$3,365,862
j. Indirect Charges	\$256,892	\$58,482	\$198,410	\$192,470	\$45,376	\$147,094	\$211,001	\$48,864	\$162,137
k. TOTALS (sum of i and j)	\$4,739,986	\$1,037,247	\$3,702,739	\$4,296,310	\$983,292	\$3,313,018	\$4,555,509	\$1,027,510	\$3,527,999

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: \$2,295 b. Program Income to Date: \$11,795