

RECIPIENT NAME:Connect Arkansas, Inc.

AWARD NUMBER: 05-43-B10591

DATE: 04/01/2015

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) 09-30-2014	6. Is this the last Report of the Award Period? <input checked="" type="radio"/> Yes <input 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 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): 04-01-2015	

Project Indicators (This Quarter)**1. Please describe significant project accomplishments completed during this quarter (600 words or less).****Sourcelink**

Arkansas SourceLink continued creating original content to push out through social media. We continued participation in US SourceLink shared blogging program and submitted a blog from Clinton School of Public Service student Brad Cameron on social entrepreneurship this quarter.

We are posting original content as well as relevant, timely articles produced by other organizations. Arkansas SourceLink continued to seek organizations to add to the Resource Navigator database and continued work on the Arkansas business incubators video project. The second video featuring UAMS BioVentures was completed and posted on the website and through social media channels.

Close out work was completed for both entrepreneurship programs of the grant. The end of Q3 was spent gathering and cataloguing intellectual property created throughout the lifetime of the grant. Each piece of created material was viewed, catalogued, and backed up. Documents, releases, attendance sheets, etc., was catalogued for close-out as well.

Computers for Kids

Computers for Kids provides refurbished computers to families qualified for the federal free or reduced lunch program completing three technology training courses. At the quarter's conclusion, 749 computers had been given to families completing the program during this program year, with 196 in the third quarter. The quarter saw deliveries in Boone, Faulkner, Craighead, Pulaski (twice), and Washington counties. The largest class served forty-seven families, and the smallest twenty-one families. To date in 2014, we have held 24 courses, compared to 19 in all of 2013 and 17 in 2012. Computers for Kids reached a major milestone by finally hosting at least one course in each of Arkansas' seventy-five counties. A total of 2,373 computers have been distributed to families participating in the National School Lunch Program throughout the program, with an original goal of 1,710.

Technology Training

Families in six counties were trained in introductory and advanced computer use classes through the Technology Training component in the Computers for Kids program from July through the end of September. This training engages families to learn together the basics of computer set up, use, and Internet operation and safety. Three classes comprise the training, with a target of up to 35 families attending each session. An estimated 7,119 people trained in computer assembly, components, Internet navigation and safety through the program.

We held a curriculum revision session and updated all materials. Introduction letters to Superintendents and Technology Instructors were produced. Fulbright Scholars students at the University of Arkansas at Monticello are translating course materials into Spanish.

Marketing**Advertising**

A new advertising campaign focused on core Connect Programs:

- Discount computers
- Adult Digital Literacy
- Computers for Kids
- Small Business Classes
- Broadband for Education

It appeared on 52 radio stations, 90 newspapers, and 12 TV stations.

The ad campaign drove more than 35 calls in 2nd Q 2014 requesting information about high-speed Internet. Production for a new advertising campaign began in 2nd quarter and will actively promote Connect programs and Internet awareness.

Public Relations Outreach

Many news releases and media announcements were sent this quarter:

- Computers for Kids—10 news releases,
- Adult Digital Literacy—63 news releases,
- Small Business Technology Training—1 news release and
- Geotargeted news releases for multiple programs in one area— Six classes in three fields over three days.

Enewsletter

Three monthly newsletters sent in the quarter, with an average 25% open rate and a current distribution list of 1,709 addresses.

Web Results

18,376 unique users
 Average time on site 21 seconds
 Average pages viewed per visit at 1.31.

Social Media
 Facebook – 510 likes, including 26 new likes in 3rd Q 2014.
 Twitter – 2,487 followers, including 312 new followers in 3rd Q 2014.

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	100	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).

Entrepreneurship/ Sourcelink
 Milestones for the project were reached, record collection and reporting completed, and the program was moved into a holding stage, pending any further funding.
 Computers for Kids/ Technology Training
 We have not yet been able to have the materials translated into Spanish, which would be helpful with our changing population. This continues to be an issue, but the coordinator at UAM has assigned students to the work and it should be completed shortly.

Marketing
 None identified.

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
See Attachment	See Attachment	See Attachment	12,001	14,661	80,296	0
Total:			12,001	14,661	80,296	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 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 Q2 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.

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 17,296 new households subscribing to broadband 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: 120	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).
All programs have completed their objectives.

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	100	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).

All programs have completed their objectives.

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	\$1,121,420	\$456,207	\$665,213	\$1,113,492	\$463,398	\$650,094	\$1,113,492	\$463,398	\$650,094
b. Fringe Benefits	\$276,817	\$118,614	\$158,203	\$269,491	\$116,605	\$152,885	\$269,491	\$116,605	\$152,885
c. Travel	\$46,343	\$0	\$46,343	\$39,465	\$0	\$39,465	\$39,465	\$0	\$39,465
d. Equipment	\$75,369	\$0	\$75,370	\$75,370	\$0	\$75,370	\$75,370	\$0	\$75,370
e. Supplies	\$33,628	\$0	\$33,627	\$20,190	\$0	\$20,190	\$20,190	\$0	\$20,190
f. Contractual	\$1,870,669	\$393,944	\$1,476,725	\$1,839,651	\$399,908	\$1,439,743	\$1,839,651	\$399,908	\$1,439,743
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$1,089,847	\$10,000	\$1,079,847	\$1,059,708	\$7,682	\$1,052,026	\$1,059,708	\$7,682	\$1,052,026
i. Total Direct Charges (sum of a through h)	\$4,514,093	\$978,765	\$3,535,328	\$4,417,367	\$987,593	\$3,429,773	\$4,417,367	\$987,593	\$3,429,773
j. Indirect Charges	\$225,892	\$58,482	\$167,410	\$210,315	\$50,954	\$159,362	\$210,315	\$50,954	\$159,362
k. TOTALS (sum of i and j)	\$4,739,985	\$1,037,247	\$3,702,738	\$4,627,682	\$1,038,547	\$3,589,135	\$4,627,682	\$1,038,547	\$3,589,135

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: \$11,745 b. Program Income to Date: \$12,995