

RECIPIENT NAME: Connected Tennessee, LLC

AWARD NUMBER: 47-43-B10542

DATE: 02/22/2013

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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 47-43-B10542	3. DUNS Number 859149820
4. Recipient Organization Connected Tennessee, LLC 618 Church ST STE 305, Nashville, TN 372192437		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2012	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 Bernie Bogle	7c. Telephone (area code, number and extension)	
	7d. Email Address bbogle@connectednation.org	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-22-2013	

Project Indicators (This Quarter)

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

From October 1 through December 31, 2012, Connected Tennessee (CTN) coordinated and conducted 16 separate events with the Boys & Girls Clubs of Tennessee promoting the Computers 4 Kids (C4K) program and the partnership with the Tennessee Boys and Girls Clubs Alliance, which enables at-risk youth to have access to technology and digital training opportunities. Alongside the University of Memphis, Connected Tennessee provided training for 10 Boys & Girls Clubs of Tennessee. Additionally, one training event was held in December in Knoxville for staff and volunteers at the Boys & Girls Club of the Tennessee Valley where 32 participants were present. To raise awareness and educate citizens about the Computers 4 Kids program, Connected Tennessee continued outreach and awareness efforts highlighting program successes, activities, and outcomes to local and statewide news outlets through a variety of formats including media advisories, press releases, newspaper and television interviews, blogs, e-Newsletters, and social media. Combined, these efforts produced a total of 685,376 documented positive media impressions for the Computers 4 Kids program during the fourth quarter.

News pickups this quarter included:

*Computers 4 Kids gives printers to B&G Clubs

From Delaney Walker/Cleveland Daily Banner - 11/29/2012

Members of the Boys & Girls Clubs of Cleveland are once again benefitting from Connected Tennessee's Computers 4 Kids Program with the donation of eight new printers. The printers will be placed in key areas throughout the organization's seven clubs. "We can always use more printers. There is only one in the computer lab with 20 computers. If we can get a couple more in there, then that would be great," said Mike Thompson, IT director. Director Charlie Sutton said the recent technological additions are appreciated. "There are many, many needs for printers at our clubs," Sutton said. "There is the issue of having printers in proximity to what you are working on. ...These printers will further reduce the demands for admin to support all of the programs. It is a huge blessing to have new printers." Cleveland is receiving eight of the 250 printers donated by Lexmark International to the C4K program. Distributed printers are going to Boys & Girls Clubs throughout Tennessee. The printers come on the heels of last year's computer donations. A total of 65 were given to the Cleveland based clubs. Read more: http://www.clevelandbanner.com/view/full_story/20996691/article-Computers-4-Kids-gives-printers-to-B-G-Clubs?instance=homethirdleft#ixzz2I9Hp4Owf

*Donation Means it's time to hit "print" at Boys & Girls Club

From Max Hrenda/Elizabethton Star - 12/12/2012

On Monday night, Connected Tennessee donated three Lexmark printers to the Boys & Girls Club computer lab, much to the delight of the children present. "They can help us with our homework," said one Boys & Girls Club Member and student at Happy Valley Elementary, "and they will help us get good grades." Read more: <http://www.starhq.com/donation-means-its-time-to-hit-print-at-boys-girls-club/>

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	70	The overall project was expected to be 86% complete at the end of this reporting quarter. The variance from baseline is primarily due to staff turnover within the project thus slowing progress on the project overall.
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).

Connected Tennessee's State Broadband Initiative (SBI) program's 2012 residential survey, which will be utilized to report on new household subscribers, was released into the field at the end of Q3 2012. Connected Tennessee analyzed the 2012 residential survey

data and is awaiting review and recommendation from the peer reviewer to release the results. The 2012 residential survey results are scheduled to be released publicly in Q1 2013. As a result of this delay, Connected Tennessee is unable to report new subscriber numbers until next quarter.

The 2012 business survey, which will be utilized to report on new business and/or Community Anchor Institution (CAI) subscribers, has not commenced. The business survey is currently scheduled to be conducted in Q1 2013. As a result of this change, the program is unable to report new subscriber numbers until Q2 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
N/A	N/A	See addendum.	32,596	90,382	0	0
Total:			32,596	90,382	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).

Connected Tennessee surveyed 1,201 adult heads of household and 800 businesses via telephone in 2011. Among low-income households with children ("low-income" defined as households with annual incomes below \$25,000), the target population for this program, broadband adoption increased by 7.85 percentage points, from 42.43% in 2010 to 50.28% in 2011.

Broadband adoption among Tennessee businesses increased 7 percentage points, from 65% in 2010 to 72% in 2011. That translates into an increase of approximately 9,303 TN businesses subscribing to broadband service (based on the 2009 County Business Patterns report, the most recent such report from the US Census).

On November 28, 2012, Connected Tennessee met with NTIA representatives to discuss implementing a change in how the program reach is measured and reported as it relates to new subscribers. At the close of the quarter, program staff were working with the Vice President of Human Resources and Administration for the Boys & Girls Clubs of the Tennessee Valley to formulate new methodologies for measuring program reach. In an effort to ensure the most accurate reporting possible, Connected Tennessee has removed the previously reported subscribership numbers from this report. The new calculation method will be presented within the Q1 2013 Performance Progress Report.

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).

On November 28, 2012, Connected Tennessee staff met with NTIA representatives to discuss implementing a change in how program reach/subscribership is measured and reported. At the close of the quarter, program staff were working with the Vice President of Human Resources and Administration for the Boys & Girls Clubs of the Tennessee Valley to formulate new methodologies for measuring program reach as it relates to new subscribers. In an effort to ensure the most accurate reporting possible, Connected Tennessee has removed the previously reported subscribership numbers from this report. The new calculation method will be applied in Q1 2013.

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).

Connected Tennessee staff will continue to schedule and hold trainings with the Boys & Girls Clubs throughout Tennessee. Staff will schedule and conduct facility visits with the Boys & Girls Clubs. Follow-up on the reporting of training hours with the clubs will also be conducted. CTN staff will continue to work with its partners at Department of Children's Services to begin the planning and preparations, including identifying recipients, for the next round of DCS computer distributions.

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	89	The project is expected to be 89% complete, based on the federal percent of budget at the end of the next reporting quarter. Our baseline plan is listed at 100%. The projected variance from baseline is primarily due to staff turnover within the project thus slowing progress on the project overall.
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).

On November 28, 2012, Connected Tennessee staff met with NTIA representatives to discuss implementing a change in how program reach/subscribership is measured and reported. At the close of the quarter, program staff were working with the Vice President of Human Resources and Administration for the Boys & Girls Clubs of the Tennessee Valley to formulate new methodologies for measuring program reach. CTN will need to formulate the new methodologies based upon data that the Boys & Girls Clubs program can produce/collect. This data may serve as the benchmark as previous period data may not be accessible to use as the benchmark. Thus, improvements in subscribership may not be evident until Q2 2013.

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	\$506,492	\$0	\$506,492	\$391,614	\$0	\$391,614	\$464,755	\$0	\$464,755
b. Fringe Benefits	\$108,643	\$0	\$108,643	\$95,268	\$0	\$95,268	\$107,492	\$0	\$107,492
c. Travel	\$42,797	\$0	\$42,797	\$24,804	\$0	\$24,804	\$27,804	\$0	\$27,804
d. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$2,000,740	\$935,300	\$1,065,440	\$1,904,611	\$1,226,389	\$678,222	\$2,206,186	\$1,226,389	\$979,797
f. Contractual	\$22,500	\$18,750	\$3,750	\$36,606	\$5,514	\$31,092	\$41,156	\$5,514	\$35,642
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Total Direct Charges (sum of a through h)	\$2,681,172	\$954,050	\$1,727,122	\$2,452,903	\$1,231,903	\$1,221,000	\$2,847,393	\$1,231,903	\$1,615,490
j. Indirect Charges	\$560,265	\$0	\$560,265	\$375,362	\$0	\$375,362	\$426,581	\$0	\$426,581
k. TOTALS (sum of i and j)	\$3,241,437	\$954,050	\$2,287,387	\$2,828,265	\$1,231,903	\$1,596,362	\$3,273,974	\$1,231,903	\$2,042,071

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