

RECIPIENT NAME: Connected Tennessee, LLC

AWARD NUMBER: 47-43-B10542

DATE: 07/26/2013

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 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) 06-30-2013	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 Bernie Bogle Grants Management Officer	7c. Telephone (area code, number and extension) 270-781-4320	
	7d. Email Address bbogle@connectednation.org	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 07-26-2013	

Project Indicators (This Quarter)

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

During Q2 2013, Connected Tennessee (CTN) placed orders and confirmed delivery for 694 laptops to be donated to graduating or high-achieving Department of Children’s Services (DCS) foster youth during regional Celebration of Excellence events hosted by partners with the Tennessee DCS. These Celebration of Excellence events kicked off in May where laptops were distributed to promote economic, career, and educational development through the provision of computers and highlighted the benefits of technology adoption for the DCS foster youth in the Davidson (57 laptops), East (63), Knox (50), Mid-Cumberland (81), Northeast (61), Smoky Mountain (75), South Central (38), Tennessee Valley (73), and Upper Cumberland (46) regions. Distribution of the remaining 150 laptops is scheduled for Q3 2014. In total, over 600 participants attended the Celebration of Excellence events held during the quarter.

The Computers 4 Kids (C4K) program donated 6 new Lexmark printers to the St. John’s Afterschool Program on April 9. On April 25, CTN, in conjunction with the University of Memphis, conducted an Internet Safety Training program at the Sycamore View Boys & Girls Club in Memphis where approximately 150 children were in attendance. Club members participated in an interactive presentation including videos created by iKeepSafe, a C4K partner. University students discussed and provided social media safety information, safe educational and fun websites, cyber bullying and stranger danger tips. Program staff also worked with the City of Humboldt and Morning Star Baptist Church during the quarter to put together a request for computer and printer donations for a tutoring program working in conjunction with the Humboldt Boys and Girls Club. CTN continued outreach and awareness efforts highlighting the Computers 4 Kids program’s 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 more than thirteen (13) million positive media impressions for the C4K program during the quarter. Copies of the news releases drafted and distributed by Connected Tennessee are included within the "13Q2_PPR_Supplemental Document."

News pickups this quarter included:

WGNS Radio — Large Number of Children Attending Rutherford County Schools to Get a New Laptop!

(<http://wgnradio.com/large-number-of-children-attending-rutherford-county-schools-to-get-a-new-laptop--cms-13058>)

Connected Tennessee, its Computers 4 Kids program, and Tennessee’s Department of Children Services (DCS) will present 81 foster children with new computers. The children receiving the laptops are either graduating from high school this spring or on track to graduate and have exhibited positive behavior throughout the school year.

TheChattanooga.com — Connected Tennessee To Present Tennessee Valley Region Foster Youth With New Laptops

(<http://www.chattanooga.com/2013/6/11/253056/Connected-Tennessee-To-Present.aspx>)

Connected Tennessee, its Computers 4 Kids program, and Tennessee’s Department of Children Services (DCS) will present 73 foster children from the Tennessee Valley region who are either graduating from high school this spring or on track to graduate and have exhibited positive behavior throughout the school year with new laptops as a way to recognize and celebrate their achievements.

Johnson City Press — Computers 4 Kids, DCS Give Laptops to Youth in Transition

(<http://www.johnsoncitypress.com/article/108776/computers4kids-dcs-give-laptops-to-youth-in-transition>)

“Computers 4 Kids has provided the young adults we serve the opportunity to be connected to technology as they further their education. The majority of our young adults would not have had the opportunity to have such technology without Computers 4 Kids and the fabulous support from the Department of Children’s Services,” the Senior Clinical Supervisor for the Youth Villages program said.

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	94	The overall project was expected to be 100% complete at the end of this reporting quarter. The variance from baseline is primarily due to a delay in computer distributions for the Department of Children’s Services recipients thus slowing progress on the project overall. The final distribution is expected to occur in Q3 2013.
2.b.	Equipment / Supply Purchases	-	Progress reported in Question 4 below
2.c.	Awareness Campaigns	-	Progress reported in Question 4 below

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
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).

Nothing to report.

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.	56,253	116,244	1,711	120
Total:			56,253	116,244	1,711	120

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).

To date, the Boys & Girls Club of Tennessee reports that 41,640 active members participate in their program, and their target audience is children living in low-income households.

Since 2010 and the inception of this program, home broadband adoption among this demographic in Tennessee has increased by 3 percentage points. This means that an estimated 1,249 (3% x 41,640) children served the Boys & Girls Club of Tennessee now have home broadband service who did not subscribe at the beginning of this program. Based on the average number of children per household (U.S. Census 2010, <http://census.gov/population/www/socdemo/hh-fam/cps2010.html>), this means that approximately 651 [(3% x 41,640) / 1.92 average number of kids per household] additional households with Tennessee Boys and Girls Club members who now subscribe to broadband service. Furthermore, Connected Tennessee research shows that statewide, 71% of low-income broadband subscribers who have children at home said that they were influenced to subscribe by factors promoted by this partnership between Connected Tennessee and the Boys & Girls Club of Tennessee, including the need for children to have home broadband service for schoolwork, digital literacy training, and being convinced to subscribe by family members, among others. (Factors include: I realize broadband was worth the extra money; someone needed broadband for school; I heard about the numerous benefits of broadband; I learned about an application that required broadband; I took a class on how to use broadband; or a friend or family member convinced me to subscribe, <http://www.connectednation.org/research>). Using these figures, Connected Tennessee estimates that 462 additional households now subscribe to home broadband service as a result of this partnership between the Boys and Girls Clubs of Tennessee and Connected Tennessee, based on the following calculations: (3% * 41,640) / [1.92] * 71% = 462.

In addition, Connected Tennessee has partnered with the Tennessee Department of Children's Services (DCS) to distribute 1,581 laptop computers to children who will soon be leaving the foster care system. As these recipients reach the age of majority and branch out on their own, each participant will represent a new household, and according to Connected Tennessee research, 79% of households, where the head of household is age 18-24 and s/he owns a laptop, subscribes to home broadband service. As such, we estimate that this computer distribution has resulted in 1,249 new home broadband subscribers in Tennessee, based on the following calculation: 79% * 1,581 = 1,249.

The new home broadband subscribers from the Boys and Girls Club partnership of 462 and the new subscribers from the DCS partnership of 1,249 yield a total new home broadband subscribers for this program of 1,711.

In addition, Connected Tennessee research shows that 7% of home broadband subscribers use their home Internet service to operate home-based businesses. These home-based entrepreneurs are a vital part of the state's economy, and as such, it is vital to include them as part of the impact of this program. Based on our estimate of the number of new households that now subscribe to home

broadband service as a result of these partnerships, approximately 120 new home-based businesses are able to now use the power of broadband to remain competitive.

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).

The total number of new subscribers (1,711) is different from the targets provided in our baseline plan (17,458). This difference is the result of changing the methodology used to estimate the number of new households subscribing to broadband as a result of this program. The baseline methodology was based on the total number of all low-income households with children in Tennessee, but after conversations with the National Telecommunications and Information Administration (NTIA) Program Office in 2012, Connected Tennessee altered the methodology to more accurately reflect the number of households where children are members of the Tennessee Boys & Girls Clubs and the number of foster children who received laptop computers upon graduating from high school or receiving their GEDs. This has resulted in an estimated 1,711 new subscribers across the state, which is lower than the baseline estimate because of the change in methodology.

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 will continue working in with Tennessee Department of Children's Services partners to distribute the remaining 150 laptops purchased for graduating or high-achieving DCS foster youth in coordination with the regional Celebration of Excellence events. These coordinated efforts will result in Celebration of Excellence events and foster youth laptop distributions for the Northwest, Southwest, and Shelby DCS regions. Once complete, this will conclude the DCS allocation of 694 laptops for 2013. Additionally, Connected Tennessee projects that the threshold of 5,000 total computers distributed since the launch of the Computers 4 Kids program will be crossed during Q3 2013. Finally, Connected Tennessee will determine appropriate use for any remaining equipment funds based on qualified needs identified during the 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	100	The project is anticipated to be 100% complete at the end of next reporting quarter. This expectation is in line with the baseline plan.
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).

While all regional laptop allotments were ordered, shipped, and delivered during Q2 2013, with acceptance confirmation receipts being documented and gathered from each DCS Region, the Celebration of Excellence events are planned in coordination with DCS partners and completion of these events during Q3 2013 is in part contingent upon efforts by these external parties.

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	\$532,039	\$0	\$532,039	\$619,386	\$0	\$619,386
b. Fringe Benefits	\$108,643	\$0	\$108,643	\$126,597	\$0	\$126,597	\$140,635	\$0	\$140,635
c. Travel	\$42,797	\$0	\$42,797	\$35,912	\$0	\$35,912	\$41,468	\$0	\$41,468
d. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$2,000,740	\$935,300	\$1,065,440	\$2,184,019	\$1,226,389	\$957,630	\$2,193,645	\$1,226,389	\$967,256
f. Contractual	\$22,500	\$18,750	\$3,750	\$40,916	\$6,729	\$34,187	\$40,916	\$6,729	\$34,187
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	\$2,919,483	\$1,233,118	\$1,686,365	\$3,036,050	\$1,233,118	\$1,802,932
j. Indirect Charges	\$560,265	\$0	\$560,265	\$461,240	\$0	\$461,240	\$484,455	\$0	\$484,455
k. TOTALS (sum of i and j)	\$3,241,437	\$954,050	\$2,287,387	\$3,380,723	\$1,233,118	\$2,147,605	\$3,520,505	\$1,233,118	\$2,287,387

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