AWARD NUMBER: 05-43-B10591

DATE: 08/20/2013

OMB CONTROL NUMBER: 0660-0037 EXPIRATION DATE: 6/30/2015

QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION							
General Information							
Federal Agency and Organizational Element to Which Report is Submitted							
Department of Commerce, National Telecommunications and Information Administration	05-43-B10591			801866984			
4. Recipient Organization							
Connect Arkansas, Inc. 200 S Commerce STE 400, I	_ittle Rock, AR 722	20117	66				
5. Current Reporting Period End Date (MM/DD/YYYY)		6. Is	this the last Report of t	he Award Period?			
06-30-2013			○ Yes	s • No			
7. Certification: I certify to the best of my knowledge and purposes set forth in the award documents.	d belief that this rep	ort is	correct and complete	for performance of activities for the			
7a. Typed or Printed Name and Title of Certifying Officia	I		7c. Telephone (area co	ode, number and extension)			
Amber Whitt			501-374-9247				
			7d. Email Address				
Compliance Analyst			awhitt@arcapital.cor	n			
7b. Signature of Certifying Official			7e. Date Report Subm	itted (MM/DD/YYYY):			
Submitted Electronically			08-20-2013				

AWARD NUMBER: 05-43-B10591

OMB CONTROL NUMBER: 0660-0037 EXPIRATION DATE: 6/30/2015 DATE: 08/20/2013

Project Indicators (This Quarter)

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

Distance Health:

The quarter kicked off with the first annual South Central Telehealth Forum held at the Statehouse Convention Center. UAMS's (University of Arkansas for Medical Sciences) project team was responsible for the design, development and execution of this educational and networking conference. The event included 192 participants from Arkansas and across the United States. The team outreach team facilitated over 30 Telehealth training and information sessions as well as participated in the Arkansas Rural Development and Arkansas SAVES (Stroke Assistance through Virtual Emergency Support) Stroke Conferences during this reporting period.

In this quarter, 175 health professionals-which represent 42 sites-participated in trainings or meetings regarding Telehealth.

Entrepreneurship Curriculum:

A limited number of classes were conducted during this guarter. The focus of this guarter was taking the entrepreneurship curriculum that was taught in the classroom and transforming it into a video series that could be distributed online. Entrepreneurship discovery sessions were also conducted for Arkansas Governor's School (AGS) at Hendrix College. This year local entrepreneurs were invited to come guest lecture to the students.

Arkansas Sourcelink:

Arkansas SourceLink launched its redesigned website in late March. We continued promotion of the newly redesigned site through Q2. The purpose of the redesign is to help focus the user to what he/she can do within the site. The site has been simplified and modernized to today's web standards. 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 at least once a week about topics related to entrepreneurship and small business. Arkansas SourceLink coordinated the first annual Arkansas Battle of the Brands competition which finished in the beginning of April. Battle of the Brands was another way to bring attention to the newly redesigned website. The winner of Arkansas's inaugural Battle of the Brands was The Twisted Purl, a handmade yarn company from Conway, Arkansas.

Technology Training:

A total of 8 counties were served this quarter with introductory & advanced courses held for Lawrence, Craighead, Newton, Searcy, Izard, Sharp, Fulton, Carroll, and counties.

Computers for Kids:

Scholarship Computers - A total of one thousand two hundred forty nine (1249) computers have been completed and shipped to the locations requested by Connect Arkansas. A total of one hundred twenty five (125) were delivered in seven (7) counties (Craighead, Lawrence, Newton, Searcy, Sharp, Izard, and Fulton).

Youth Entrepreneurship Showcase 2.0:

This quarter marks the end of the grant funding for the Y.E.S. 2.0 high school competition. However, the Arkansas Economic Acceleration Foundation plans to continue on with the program and has already set dates for the 2014 competition.

Marketing:

Connect Arkansas continued with the "Get Connected" ad campaign that is running in 94 newspapers, 56 radio stations, 11 television stations and 5 cable markets throughout Arkansas. In the second quarter, 11 radio interviews with radio stations around the state were conducted. This drove media awareness of the Computers 4 Kids program through seven news releases announcing photo and interview opportunities with program students, as well as reporting on the numbers of families who received free computers through the program. Thirty news releases were sent out to promote upcoming Adult Digital Literacy classes.

Business Technology Training:

The Arkansas Small Business and Technology Development Center (ASBTDC) continued to make excellent progress on this project during the second quarter. The ASBTDC began holding the scheduled website development and online marketing workshops where participants attended for free. Twenty-three of the workshops were held during the second quarter and reached over 200 participants within twenty-one of the targeted counties.

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)

AWARD NUMBER: 05-43-B10591

DATE: 08/20/2013

OMB CONTROL NUMBER: 0660-0037 EXPIRATION DATE: 6/30/2015

DATE. 00/	20/2010	ı	
	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	Overall Project	73	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).

Computers for Kids:

This quarter has again raised the challenge of getting families involved in the program. While some school districts go to extra effort to assist the instructors of the class to get participation up, other school districts seem at best apathetic about the program.

Technology Training:

The trainer for the program provided by the University of Arkansas at Monticello, left the position so there was a lull in classes until two new trainers were hired. As mentioned before attendance during the summer is much lower than during the school year.

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	Name of the 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 Please see attached spread sheet Q4-2012_ PPR_ SBA Performance Progress Report 4a		7,789	9,779	0	0	
Total:			7,789	9,779	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 2nd 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.

Connect Arkansas is also surveyed 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.

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 Q2 of 2013 is 53,000 for households and 5,260 businesses. Connect Arkansas has exceeded both combined numbers 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)

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

RECIPIENT NAME: Connect Arkansas, Inc.

AWARD NUMBER: 05-43-B10591

DATE: 08/20/2013

OMB CONTROL NUMBER: 0660-0037 EXPIRATION DATE: 6/30/2015

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	82	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).

None at this time.

DATE: 08/20/2013

OMB CONTROL NUMBER: 0660-0037 EXPIRATION DATE: 6/30/2015

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	\$1,083,420	\$456,207	\$627,213	\$882,763	\$399,582	\$483,181	\$962,299	\$434,814	\$527,485
b. Fringe Benefits	\$282,317	\$118,614	\$163,703	\$219,257	\$100,013	\$119,244	\$239,936	\$109,173	\$130,763
c. Travel	\$63,699	\$0	\$63,699	\$34,537	\$0	\$34,537	\$40,238	\$0	\$40,238
d. Equipment	\$101,370	\$0	\$101,370	\$101,370	\$0	\$101,370	\$101,370	\$0	\$101,370
e. Supplies	\$41,335	\$0	\$41,335	\$24,977	\$0	\$24,977	\$27,064	\$0	\$27,064
f. Contractual	\$1,833,169	\$393,944	\$1,439,225	\$1,491,455	\$362,176	\$1,129,279	\$1,692,017	\$403,427	\$1,288,590
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$1,057,784	\$10,000	\$1,047,784	\$544,384	\$6,583	\$537,801	\$648,711	\$6,810	\$641,901
i. Total Direct Charges (sum of a through h)	\$4,463,094	\$978,765	\$3,484,329	\$3,298,743	\$868,354	\$2,430,389	\$3,711,635	\$954,224	\$2,757,411
j. Indirect Charges	\$276,892	\$58,482	\$218,410	\$162,085	\$44,591	\$117,494	\$191,197	\$49,482	\$141,715
k. TOTALS (sum of i and j)	\$4,739,986	\$1,037,247	\$3,702,739	\$3,460,828	\$912,945	\$2,547,883	\$3,902,832	\$1,003,706	\$2,899,126

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.