QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	**05-43-B10591**	**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)	6. Is this the last Report of the Award Period?
03-31-2014	◯ Yes ⦿ 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	7c. Telephone (area code, number and extension)
Renetta Cheathem	501-374-9247
	7d. Email Address
Compliance Officer	rcheathem@arcapital.com

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	06-02-2014

Project Indicators (This Quarter)

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

Sourcelink

Arkansas SourceLink has completed work on a video curriculum for the website. We are creating a tracking methodology to determine who is using the curriculum, how it's being used, and how many websites are being created by using it. Maintenance continues on the website to increase search engine rankings.

SourceLink has continued its ongoing emphasis on creating original content to be pushed out through various social media channels. During Q1, 15 posts were created and distributed.

The first video in the Arkansas business incubators video project is complete and features the Helena Entrepreneur Center. A draft of the second video featuring UAMS BioVentures is under revision.

The second annual Battle of the Brands competition was held. We received over 200 nominations representing   70 brands. 64 brands were drawn into a bracket and competition officially began. RNT Duck Calls was named "Emperor of Entrepreneurship", winning the 2014 Arkansas Battle of the Brands competition.

 Battle of the Brands had 135,000 individual votes cast during the competition. A record number of visitors came to the website, with a large amount of interaction on social media. We had over 60,000 visits to the website during this period from over 37,000 unique visitors.

Entrepreneurship:

The focus for this quarter was   transforming the entrepreneurship curriculum into a video series for online distribution. Nine modules were created: entrepreneurship 101, e-commerce, idea creation, innovation and invention, search engine optimization, website design, netiquette, social media, and elevator pitches.

The first draft of the online curriculum is being revised. Teachers will facilitate the program in classrooms, with students creating a website.

Computers for Kids/ Technology Training

By the end of March, 1,799 scholarship computers had been given to families completing the program. Counties covered in this quarter include: Perry, Pulaski, Cross, Baxter, and Grant. The largest class served 47 families and the smallest served 20 families. A total of 143 computers were donated to families in the first quarter of 2014. Due to school schedules and weather interruptions no classes were held during January and several in February and March will be rescheduled.

The Pulaski County class is supported to an increased size by a contribution from AUTIS, Arkansas Users of Telecommunications and Information Technology.

 Computers for Kids participating families will be included in a survey to determine satisfaction with the courses and whether access to a home computer has increased their Internet usage.

We also continue to receive calls from people in other states inquiring about the Computers for Kids program. We receive several calls each month from people who have found our program through Internet searches.

We are currently working on translation of course materials into Spanish to address that growing population.

Marketing

Continued "Connect to Life" ad campaign that began in November.

Designed to increase awareness of the uses for high-speed Internet service resulting in increased Internet adoption, it is being used in 106 Newspapers, 52 Radio Stations, 12 TV Stations and 5 Cable Markets . Effectively reaching entire state, the campaign drove more than 75 calls in 1st Q 2014 requesting more information about high-speed Internet.

Sent three monthly enewsletters in the quarter, with an average 28% open rate and a current distribution list of 1,467 addresses.

Web Results for January – March 2014 include 27,797 unique users, average time on site of 52 seconds and average pages viewed per visit at 1.32. Site traffic has increased by 440% year over year.

As far as social media, Facebook has 475 likes, including 22 new likes in 1st Q 2014 and Twitter showed 1,873 followers, including 418 new followers in 1st 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	94	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 have been reached.
Computers for Kids/ Technology Training
The trainers reported difficulty scheduling courses because of the weather conditions.
A new instructor is being recruited to address the northwest corner of the state. Weather and required testing has delayed some classes, which are being rescheduled into the summer.
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	9,648	12,210	145,200	0
Total:			**9,648**	**12,210**	**145,200**	**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 1st quarter of 2014 have changed due to the latest release of broadband survey statistics for Arkansas for the 2013 calendar year. This survey is conducted annually by Connect Arkansas, through an independent contractor, in order to obtain a clear picture of the broadband landscape in Arkansas from year to year. New Subscriber counts have been reduced from what was stated in this section of the Q4 2013 PPR from 220,000 to 145,200 due to a change in how we calculated broadband subscribers. 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. There are roughly 3 million people in the states versus 1.8 million households. The new 145,200 subscriber count has been adjusted to reflect the differences in households vs. population.

The annual broadband survey was conducted via telephone and interviewed 600 Arkansans. The 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 82,200 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: 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 Q2 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. The curriculum has been received and is being revised in draft form. We are also working to create a tracking methodology so that we know who is using the curriculum, how they are using it and how many websites are being created through the usage of the curriculum.

Technology Training

A second survey will be administered to determine the effectiveness of courses. A Spanish-language version of curriculum is planned.

Computers for Kids

The majority of Computers for Kids classes will be completed.

Entrepreneurship

During the Q2 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. The curriculum has been received and is being revised in draft form. We are also working to create a tracking methodology so that we know who is using the curriculum, how they are using it and how many websites are being created through the usage of the curriculum.

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**	96	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).

Entrepreneurship

None identified.

Technology Training

There continue to be issues with instructors attempting to make up classes cancelled due to weather issues. All are trying to get the classes in during the school year.

Computers for Kids

No issues have been identified.

Marketing

None identified.Entrepreneurship

None identified.

Technology Training

There continue to be issues with instructors attempting to make up classes cancelled due to weather issues. All are trying to get the classes in during the school year.

Computers for Kids

No issues have been identified.

Marketing

None identified.

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.

Cost Classification	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		
	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	$1,041,680	$446,086	$595,595	$1,091,921	$472,643	$619,278
b. Fringe Benefits	$276,817	$118,614	$158,203	$256,664	$112,104	$144,559	$268,275	$119,009	$149,266
c. Travel	$60,343	$0	$60,343	$38,179	$0	$38,179	$39,617	$0	$39,617
d. Equipment	$75,370	$0	$75,370	$75,370	$0	$75,370	$75,370	$0	$75,370
e. Supplies	$33,628	$0	$33,628	$25,997	$0	$25,997	$26,054	$0	$26,054
f. Contractual	$1,870,669	$393,944	$1,476,725	$1,795,899	$399,908	$1,395,990	$1,816,936	$399,908	$1,417,028
g. Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Other	$1,077,847	$10,000	$1,067,847	$1,033,184	$7,532	$1,025,652	$1,089,677	$8,441	$1,081,236
i. Total Direct Charges (sum of a through h)	$4,483,094	$978,765	$3,504,329	$4,266,973	$965,630	$3,301,342	$4,407,850	$1,000,001	$3,407,849
j. Indirect Charges	$256,892	$58,482	$198,410	$203,782	$49,625	$154,157	$213,676	$52,456	$161,220
k. TOTALS (sum of i and j)	$4,739,986	$1,037,247	$3,702,739	$4,470,755	$1,015,255	$3,455,499	$4,621,526	$1,052,457	$3,569,069

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: $11,745