U.S. DEPARTMENT OF COMMERCE	2. Award Or Grant Number
Performance Progress Report	05-50-M09009
	4. Report Date (MM/DD/YYYY)
	06-25-2012

1. Recipient Name	6. Designated Entity On Behalf Of:
Connect Arkansas	Arkansas

3. Street Address	8. Final Report?	9. Report Frequency
200 S. Commerce Street, Suite 400,	○ Yes	◉ Quarterly
	◉ No	○ Semi Annual
5. City, State, Zip Code		○ Annual
Little Rock, AR 72201		○ Final

7. Project / Grant Period Start Date: (MM/DD/YYYY)	7a. End Date: (MM/DD/YYYY)	7b. Reporting Period End Date:	9a. If Other, please describe:
09-15-2009	09-14-2014	06-30-2012	N/A

10. Broadband Mapping   10a. Provider Table

Number of Providers Identified	Number of Providers Contacted	Number of Agreements Reached for Data Sharing	Number of Partial Data Sets Received	Number of Complete Data Sets	Number of Data Sets Verified
76	75	74	21	49	56

10b. Are you submitting the required PROVIDER DATA by using the Excel spreadsheet provided by the SBDD grants office? ◉Yes ○No

10c. Have you encountered challenges with any providers that indicate they may refuse to participate in this project? ◉Yes ○No

10d. If so, describe the discussions to date with each of these providers and the current status

Data was submitted to the NTIA for 74 of 79 identified Providers on March 30th, 2012. The submission also included Community Anchor data gathered by temporary labor via phone surveys to all law enforcement, fire departments, hospitals, and schools to determine connectivity. The Arkansas Department of Information Systems has recently provided Connect with data pertaining to the connectivity at all public school districts in the state. This information will be processed for the Fall Data Submission. Connect has continued to contact Arkansas HIT for more data for Healthcare facilities. However, information from this source is still unavailable at this time.

10e. If you are collecting data through other means (e.g. data extraction, extrapolation, etc), please describe your progress to date and the relevant activities to be undertaken in the future

Connect staff is currently working on added features to the Interactive Map. New features will include the addition of demographic data, administrative districts, public Wi-Fi locations, as well as extended feedback options. These features are scheduled to be completed sometime during the 3rd quarter of this year. Sub Recipient Arkansas Geographic Information Office (AGIO) has been working on Address Point data collection. AGIO has contacted all 28 counties selected for Address Point data collection. Contracts have been executed for 27of the counties. Address Point data collection is completed for 12 counties with several other counties nearing completion.

10f. Please describe the verification activities you plan to implement

Engineering Assessments to determine existing infrastructure in the state as well as cost to improve access are underway by sub contractor Clary, Tarkington and Thomas (CT&T) of North Little Rock. CT&T has completed field work on 6 counties as of July 3rd, 2012.

10g. Have you initiated verification activities? ◉Yes ○No

10h. If yes, please describe the status of your activities

Connect is also continuing to study demographic indicators versus current Broadband coverage as a better predictor of internet adoption, in order to focus planning efforts. To help with this analytic study of the demographics, Connect staff has been working with the faculty of the University of Central Arkansas Math Department to establish a statistical model of broadband adoption. The source of the data being analyzed in conjunction with Connect's coverage data is demographic data from Axciom, a marketing company headquartered in Little Rock. This project has been delayed as a consequence of the contact at UCA experiencing health problems, this is being remediated at this point to continue with the project.

10i. If verification activities have not been initiated please provide a projected time line for beginning and completing such activities

Verification Activities are currently being planned for initiation in Quarter 3 of 2012.

Staffing

10j. How many jobs have been created or retained as a result of this project?

6.65

10k. Is the project currently fully staffed?   ● Yes   ○ No

10l. If no, please explain how any lack of staffing may impact the project's time line and when the project will be fully staffed

N/A

10m. When fully staffed, how many full-time equivalent (FTE) jobs do you expect to create or retain as a result of this project?

6.65

10n. Staffing Table

Job Title	FTE %	Date of Hire
GIS Manager	50	08/04/2008
GIS Analyst Specialist 1	100	11/19/2009
GIS Analyst Specialist 2	100	07/05/2011
Community Outreach Leader 1	12	08/16/2010
Community Outreach Leader 2	100	05/16/2010
Compliance Officer	50	03/12/2012
Compliance Analyst	50	04/15/2012
Administrative Assistant 1	20	07/01/2007
President (Management)	42	07/01/2007
Senior Vice President 1 (Management)	20	07/01/2007
Marketing Director (Management)	40	01/05/2010
IT Director (Management)	4	07/01/2007
Human Resources (Management)	2	07/01/2007
Senior Ex. Vice President	1	07/01/2007
Administrative Assistant 2	3	07/01/2007
Video Production Manager	15	03/12/2012
Video Production Assistant	13	03/01/2012
Production Assistant	41	03/26/2012

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Sub Contracts

10o. Subcontracts Table

Name of Subcontractor	Purpose of Subcontract	RFP Issued (Y/N)	Contract Executed (Y/N)	Start Date	End Date	Federal Funds	In-Kind Funds

Arkansas Geographic Information Systems	Will work with 28 counties to develop geographic information system address points statewide	N	Y	12/01/2010	01/30/2013	944,400	571,792
CT&T Communications Consultant	Engineering Assessments	N	Y	10/03/2011	09/30/2012	253,000	0
The Gadberry Group	Geo-code, process provider coverage data, build and manage web-based interactive broadband map	N	Y	12/31/2009	12/09/2011	250,000	0
University of Arkansas at Little Rock	Statewide survey for validation	N	N	12/01/2011	03/31/2012	150,000	0
Information Network of Arkansas	County Websites	N	Y	03/01/2011	12/31/2012	104,000	0
University of Arkansas at Little Rock	Surveys	N	Y	01/01/2010	12/21/2010	80,000	0
Not selected, (work done in house)	Facilitation	N	N	09/01/2010	09/30/2011	3,397	0
Not selected	County Broadband adoption, fundraisin	N	N	09/01/2011	09/30/2014	68,000	0
Information Network of Arkansas	Annual county website maintenance	N	Y	04/01/2011	02/28/2013	58,800	0
Not selected, (work done in house)	Fixed wireless propagation reports	N	N	07/01/2010	12/31/2010	10,535	0
Aristotle	Website re-development	Y	Y	05/01/2011	08/31/2011	40,000	0
Not selected, (work done in house)	Monthly Newsletter distribution	N	N	09/01/2011	09/30/2014	36,000	0
Not selected, (work done in house)	Travel to e-Communities to facilitate mtgs.	N	N	09/15/2009	09/30/2011	6,190	0
The Political Firm	Statewide survey	Y	Y	01/03/2011	02/28/2011	25,000	0
Datamax	Plotter lease	N	Y	09/15/2010	09/30/2014	18,127	0
Not selected	Media Outreach	N	N	01/02/2012	09/30/2014	17,455	0
Not selected, (work done in house)	Fixed wireless propagation map	N	N	09/01/2011	08/30/2012	5,400	0
Staffmark	Contractual labor	N	Y	06/01/2011	08/31/2011	8,000	0
Not selected	Data validation	N	N	10/03/2011	12/30/2011	102,741	0
Ariel Stratigic Group	Focus Groups to assist with the efforts to educate and promote the use of broadband in rural areas	N	Y	10/01/2011	04/30/2012	40,000	0
CT&T	Broadband Mappping	N	Y	09/01/2010	09/01/2010	0	29,273

Amazon	Web Hosting	N	Y	12/01/2011	09/30/2014	72,000	0
Black Box GIS	Interactive Map	N	Y	12/01/2011	09/30/2014	78,000	0

Add Row	Remove Row

Funding

10p. How much Federal funding has been expended as of the end of the last quarter? **$2,687,227**   10q. How much Remains?   **$3,486,139**

10r. How much matching funds have been expended as of the end of last quarter?   **$950,216**   10s. How much Remains?   **$593,626**

10t. Budget Worksheet

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Personal Salaries	$2,114,056	$370,280	$2,484,336	$909,856	$261,226	$1,171,082
Personnel Fringe Benefits	$410,661	$80,697	$491,358	$204,795	$71,978	$276,773
Travel	$49,262	$16,339	$65,601	$24,096	$16,339	$40,435
Equipment	$65,835	$22,479	$88,314	$29,311	$22,479	$51,790
Materials / Supplies	$190,843	$33,850	$224,693	$94,492	$33,850	$128,342
Subcontracts Total	$2,371,045	$601,065	$2,972,110	$1,021,222	$400,795	$1,422,017
Subcontract #1	$944,400	$571,792	$1,516,192	$420,500	$371,522	$792,022
Subcontract #2	$253,000	$0	$253,000	$104,000	$0	$104,000
Subcontract #3	$250,000	$0	$250,000	$223,000	$0	$223,000
Subcontract #4	$150,000	$0	$150,000	$0	$0	$0
Subcontract #5	$773,645	$29,273	$802,918	$273,722	$29,273	$302,995
Construction	$0	$0	$0	$0	$0	$0
Other	$645,208	$378,065	$1,023,273	$249,335	$140,465	$389,800
Total Direct Costs	$5,846,910	$1,502,775	$7,349,685	$2,533,107	$947,132	$3,480,239
Total Indirect Costs	$328,456	$41,067	$369,523	$156,120	$3,084	$159,204
Total Costs	$6,175,366	$1,543,842	$7,719,208	$2,689,227	$950,216	$3,639,443
% Of Total	80	20	100	74	26	100

Hardware / Software

10u. Has the project team purchased the software / hardware described in the application?   ⦿Yes ◯No

10v. If yes, please list

As stated in the last report the Connect Arkansas Mapping Team has brought the Interactive Broadband Map for Arkansas in house. Previously Gadberry Group, LLC, hosted the Interactive Map, but the move to bring the Map in house allows for greater flexibility, more control over design, and primarily a better outlook in regards to sustainability. The new interactive map has been online since the first week of February. To facilitate this move, the mapping team is making use of an Amazon EC2 Windows Server instance for maximum availability as well as a license of ESRI ArcServer to manage and serve the data as the users interact with the map. The extended flexibility will allow us to display more items in the future such as Community Anchor Information, Wireless Connectivity Points, and other Demographics that are pertinent to Broadband users in the state of Arkansas. Other features are also under consideration.

10w. Please note any software / hardware that has yet to be purchased and explain why it has not been purchased

N/A

10x. Has the project team purchased or used any data sets? ⦿Yes ◯No

10y. If yes, please list

ESRI Internet Usage Survey Data was purchased to be used alongside the MicroBuild Broadband Indicator data obtained from the Gadberry Group, LLC that was purchased in the Q4 2010 quarterly report. Since then Demographic data from data warehouse ACXIOM has been purchased to take an analytical approach to predictive modeling of broadband subscription. We are working with the University of Central Arkansas Math Department to take this approach. Additional data from ACXIOM has been purchased for analysis in cojunction with University of Central Arkansas Math Department.

10z. Are there any additional project milestones or information that has not been included? ⦿Yes ◯No

10aa. If yes, please list

During the last quarter, Connect Arkansas staff completed focus groups with Q Methodology in four locations throughout Arkansas: Northwest Arkansas (Springdale), Faulkner County (Conway), Little Rock and Helena with Arkansans who were selected because they do not currently subscribe to high-speed Internet at home. Members participated in directed discussion and activities to understand what they value and what they fear about high-speed Internet access in the home, as well as their identified barriers to installing Internet. Q Methodology was used to gain a statistical understanding of what values and priorities Arkansans may hold about the most valuable aspects of Internet access. This study found that there is a dichotomy for Arkansans who do not currently have Internet in their homes, which is that they value it, they use it and they realize its benefits, while simultaneously being concerned about its prices vs. reliability and the dangers it presents to their family's well being. They also see the value of the Web as having everything in terms of information and content and having the capacity to deliver that content into their homes. This window to the world concerns them as they try to help children, who have never lived without the Internet, navigate its dangers and understand the long-term consequences of their online behavior.

10bb. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing

In light of these findings, Marketing staff has begun a micro-targeted marketing campaign in areas around the state that fit identified "likely adopter" markers from the Focus Groups and from the survey battery we conducted in 2011. Those areas include:
o El Dorado - technologically savvy community trying to increase draw from other areas – targeting younger families - young professionals, with either a college degree or who have some college under their belt;
o Northwest Arkansas – Hispanic population – Pew research and our own internal survey data finds that 2nd generation Hispanic-Americans are likely subscribers, as they want the means to communicate with family back home, they save money, and they are more likely to value what the Internet means and its capabilities than are other ethnic groups in Arkansas;
o Faulkner County, Arkansas – very diverse population of subscribers and non-subscribers – Conway is one of the most technologically connected cities in Arkansas; however, go 10 miles beyond the city's boundary and you find people who cannot access high-speed and/or who fall into the mindset of "it's still a luxury." In this county, we are targeting young professionals, young families, with a college degree or some college. Focus group findings show that both men and women in Faulkner County are hyper-concerned with Internet Safety; we will be creating a new section for the website focusing on keeping your family safe online in response to these concerns (we've seen them elsewhere, but more so in Faulkner than any other county);
o Cherokee Village – targeting retired, upper income Arkansans in a very rural area. Many people who retire to Cherokee Village (and neighboring Hardy in Sharp County) are not native to Arkansas; while they seem to enjoy the relative obscurity of being "away from it all," they still say it's a nuisance for them at times to communicate with family in other parts of the county/world without Internet service.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project

o Helena/West Helena, Phillips County – the birthplace of blues in the Delta has been the focal point for many infinitives to try and help jumpstart the Delta, including KIPP schools and many other social programs. We will target African-American males with no college or very little college education in this community as they tend to be the heads of families and who make the decisions on such matters in their homes.

11. Broadband Planning

11a. Please describe progress made against all goals, objectives, and milestones detailed in the approved Project Plan. Be sure to include a description of each major activity / milestone that you plan to complete and your current status

Six broadband adoption/planning meetings were conducted. Connect updates were given at planning and development district and legislative meetings, as well for the state Office of Emergency Management. We have collected 376 surveys in seven e-Community counties. Our quarterly meeting of e-Community and State Leaders was a June 20 regional economic development and broadband summit in Southeast Arkansas, livesteamed by Connect AR TV. Work on the state broadband plan began in earnest in June (the plan was completed internally July 19 - more will be forthcoming in the next report.

11b. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing

Woodruff County has signed its contract. The Chicot County site is due for completion and launch in July. Visits were made again to Calhoun and Ouachita Counties - with better response. We hope to have them signed on in the next quarter. Staff met with Lynn Chadwick on May 25 regarding the wide-ranging reasons we are seeing regarding counties who have not yet realized what an important opportunity they have. Since some are waiting until new judges are sworn in January 1, we agreed all counties should be given ultimatums to get on board by Q1 2013.

11c. Does the Project Team anticipate any changes to the project plan for Broadband Planning? ⦿Yes ◯ No

11d. If yes, please describe these anticipated changes. Please note that NTIA will need to approve changes to the Project Plan before they can be implemented

We also talked with Lynn on two other points - the five other counties funded for websites that already have them launched and paid by other sources and the trouble getting volunteers for the subject matter database. We received approval to forward these dollars to other counties. We met with Prairie County in June and expect to have a signed contract from them in Q3. For the SME database, we will continue to float the idea; but may also look at inventorying digital literacy programs and their available volunteer trainers.

Funding

11e. How much Federal funding has been expended as of the end of the last quarter? $0   11f. How much Remains? $0

11g. How much matching funds have been expended as of the end of last quarter? $0   11h. How much Remains? $0

11i. Planning Worksheet						
Personal Salaries	$0	$0	$0	$0	$0	$0
Personnel Fringe Benefits	$0	$0	$0	$0	$0	$0
Travel	$0	$0	$0	$0	$0	$0
Equipment	$0	$0	$0	$0	$0	$0
Materials / Supplies	$0	$0	$0	$0	$0	$0
Subcontracts Total	$0	$0	$0	$0	$0	$0
Subcontract #1	$0	$0	$0	$0	$0	$0
Subcontract #2	$0	$0	$0	$0	$0	$0
Subcontract #3	$0	$0	$0	$0	$0	$0
Subcontract #4	$0	$0	$0	$0	$0	$0
Subcontract #5	$0	$0	$0	$0	$0	$0
Construction	$0	$0	$0	$0	$0	$0
Other	$0	$0	$0	$0	$0	$0
Total Direct Costs	$0	$0	$0	$0	$0	$0
Total Indirect Costs	$0	$0	$0	$0	$0	$0
Total Costs	$0	$0	$0	$0	$0	$0
% Of Total	0	0	0	0	0	0

Additional Planning Information

11j. Are there any additional project milestones or information that has not been included?

In addition to the economic development/broadband summit, Connect also facilitated/produced a Southeast Arkansas state and congressional candidates forum via Connect AR TV. Candidates were asked their views on the current state of broadband in their district and what they would do for more deployment, access, and adoption if elected. We also livestreamed a webinar for the Arkansas Office of Health Information Technology's onboarding process for the State Health Alliance for Records Exchange.

11k. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the Project Team is employing

None other than the county website and subject matter expert database issues mentioned above.

11l. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project

Connect staff also provided updates to the following: the Joint Committee on Advanced Communication and Information Technology of the Arkansas Legislature, staff of the East Arkansas Planning and Development District, the full board of the Southeast Arkansas Planning and Development District, the Community Development division of the Arkansas Department for Economic Development, the

Winthrop Rockefeller Foundation, and the Arkansas Wireless Information Network/Arkansas Office of Emergency Management.

12. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purpose set forth in the award documents.	
12a. Typed or Printed Name and Title of Authorized Certifying Official Sharon Walburger	12c. Telephone (area code, number, and extension)
	12d. Email Address swalburger@arcapital.com
12b. Signature of Authorized Certifying Official Submitted Electronically	12e. Date Report Submitted (Month, Day, Year) 08-20-2012