ANNUAL 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** 06-43-B10589	**3. DUNS Number** 830370800

4. Recipient Organization

California Emerging Technology Fund 5 3rd St STE 520, San Francisco, CA 941033206

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2011	**6. Is this the last Annual Report of the Award Period?** ◯ **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 Susan Walters Senior Vice President	**7c. Telephone (area code, number and extension)** (415) 744-2385
	7d. Email Address susan.walters@cetfund.org
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 01-30-2012

PROJECT INDICATORS

1. Does your Sustainable Broadband Adoption (SBA) project foster a particular broadband technology or technologies? If so, please describe this technology (or technologies) (600 words or less).

The goal of the Access to Careers in Technology (ACT) project is to train and place students in a variety of positions in the information, communications and technology (ICT) field. The project partners integrate training and awareness about the importance of broadband at home, but not a particular broadband technology. The training materials used by the ACT partners provide information about the different broadband options prevalent in the market – DSL and Cable. This information will be updated to include new mobile broadband and 4G technologies that can serve as mobile hot spots. Although 4G mobile is more expensive, this new technology can address three barriers for broadband adoption – concern about mobility, reluctance to sign a long-term contract, and outdated internal wiring that prevents service and areas where service providers have declined to provide infrastructure. A couple of mobile providers bill on a monthly basis but do require a credit card and good credit for service.

2a. Please list all of the broadband equipment and/or supplies you have purchased during the most recent calendar year using BTOP grant funds or other (matching) funds, including any customer premises equipment or end-user devices. If additional space is needed, please attach a list of equipment and/or supplies. Please also describe how the equipment and supplies have been deployed (100 words or less).

Manufacturer	Item	Unit Cost per Item	Number of Units	Narrative description of how the equipment and supplies were deployed
n/a	0	0	0	n/a
Totals		0	0	

Add Equipment	Remove Equipment

2b. To the extent you distribute equipment/supplies to beneficiaries of your project, please describe the equipment/supplies you distribute, the quantities distributed, and the specific populations to whom the equipment/supplies are distributed **(600 words or less).**

The equipment discussed here does qualify not under the federal definition as equipment; however, CETF wanted to share the value ACT partners see in distributing refurbished computers as effective incentives for people to subscribe to broadband. Since October 2010, ACT partners distributed 3,314 refurbished desktop computers to low-income families. In many cases the students receive a computer when they complete training and sign-up for broadband.

3. For SBA access and training provided with BTOP grant funds, please provide the information below. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. For each type of training (other than open access), please count only the participants who completed the course.

Types of Access or Training	Number of People Targeted	Number of People Participating	Total Training Hours Offered
Open Lab Access	0	0	0
Multimedia	9,290	5,373	85,642
Office Skills	1,420	3,422	11,878
ESL	0	0	0
GED	0	0	0
College Preparatory Training	0	0	0
Basic Internet and Computer Use	9,795	4,755	46,553
Certified Training Programs	1,638	1,103	94,547
Other (please specify): Small Business Application	15,000	2,844	11,376
Total	37,143	17,497	249,996

4. Please describe key economic and social successes of your project during the past year, and why you believe the project is successful thus far (600 words or less).

During the 15 months of this project, in addition to ACT partners creating and retaining (please see ARRA Report) they placed 872 people in jobs after they completed training. This is 34% of the goal of 2,558. Jobs will always trail the training since participants need to finish training, maybe pass a certification, and conduct job searches and interviewing before finding employment. The collaboration of ACT partners, other NTIA grantees, anchor institutions and community-based organizations within their local communities not only leverages their work, but also establishes a long-term network of economic and social development organizations. The success in job placement is a direct result of healthy partners who are excellent at what they do, job training and placement in the ICT field.

AWARENESS: The Get Connected! PSAs promote awareness of broadband and the value of being connected. The media campaign has proven successful at generating calls to 2-1-1 where callers are referred to broadband resources including job training programs such as those in the ACT program. The media from Get Connected! has resulted in the project reaching 50% of its goal for awareness by reaching just over 2.5 million people. People were reached through targeted radio, television, and print media in Southern California (primarily Los Angeles and some in Orange), Central California (Fresno, Kern, Tulare) and Northern California (San Francisco Bay Area, San Jose). CETF received audience reports from valid third party research firms showing the number of impressions and people reached.

CETF expects to reach its goal of 5 million.

TRAINING: The training ranges from very basic introduction to computers (how to use a mouse and keyboard), to more intermediate skills like the Microsoft Office programs and certification programs in A Plus and network management. ACT has trained 16,687 people to date. This is 49% of goal. Ideally the project would be closer to 60% now. Partners are working to increase their rate of training.

CETF expects to reach its goal of 36,970.

JOBS: The results are reported at the beginning of this section. It is the experience of these groups that a certification (IC3, Microsoft Office, A plus, Network Management) increases the likelihood of obtaining a job. It is also groups experience that the first certification, often IC3, is the hardest to past for many clients. The jobs are primarily from 4 partners: Chrysalis, EmpowerNet, Stride Center, and San Diego Futures Foundation. These groups have proven ICT job training programs.

CETF expects to reach its goal of 2,558.

Chrysalis works with the hardest to employ groups-long term ex convicts, mentally ill, and homeless populations. It focuses on basic digital literacy skills and helps clients build a job history by employing them first for a short time when needed. Chrysalis operates two social enterprises, street cleaning and a janitorial service.

EmpowerNet runs an academy for training non-profits how to operate job training program in the ICT field. This is part of the Stride Center and uses their successful curriculum and methods.

Stride Center works with difficult to employ groups-paroles, people with low or no technical skills, chronically unemployed populations. Stride Center runs a program with high expectations and like an employer. They work with temp agencies as well as companies to achieve the high placement rate.

San Diego Futures Foundation works with similar groups to the Stride Center as well as with people with disabilities through an organization Able Disabled.

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5. Please estimate the level of broadband adoption in the community(ies) and/or area(s) your project serves, explain your methodology for estimating the level of broadband adoption, and explain changes in the broadband adoption level, if any, since the project began.

5a. Adoption Level (%):	Narrative description of level, methodology, and change from the level at project inception (600 words or less).

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	Since 2008, Public Policy Institute of California, the California Emerging Technology Fund and ZeroDivide have conducted an annual statewide survey to determine overall broadband adoption as well as usage among key target populations – low-income, limited-English speaking, people with disabilities and race/ethnic populations. CETF uses households making $40,000 and under as the overall baseline for adoption which in June 2008 was 33%. In June 2009, the survey found households under $40,000 had increased household adoption to 40%. In August 2010, 49% of these households have broadband at home. In June 2011 adoption increased to 58%, 11% points higher. The first CETF grant from NTIA counted a portion of these numbers. ACT will count a portion based on the increase shown in the July 2012 survey.
	Overall CETF takes a conservative approach to tracking the outcomes its reports. CETF does not claim total responsibility for all the increases in broadband adoption documented in the PPIC survey. The increases CETF and its NTIA partners are responsible for are proportional to the awareness and outreach numbers tracked as compared to the total increase in the statewide survey. Partners track outreach, training, and adoption by using random survey techniques to call back clients they have served. This enables them to logically estimate the impact of their work and CETF tracks the awareness from advertising. The number CETF counts is then divided between the two NTIA grants, Broadband Awareness and Adoption has 40% of the organizations and ACT has 60% of the organizations so the number are divided accordingly.
25	Starting with the June 2011 PPIC survey, CETF counted a portion of the number of new adoptions recorded through this survey towards the CETF BAA broadband adoption outcomes. As a conservative approach, CETF in the BAA grant claimed 6% of the increase in new adopters under $40,000 was due to its efforts and those of its sub-recipients. This is the same rate of broadband adoption that United Ways of California/2-1-1 found when they called back clients who expressed an interest in broadband in their initial call. In 2012 CETF will count 60% of the new adopters under $40,000 toward ACT's goal of 9,237 as the ACT sub-recipients represent 60% of the sub-recipients in both grants.
	ACT partners use a variety of strategies to directly confirm that a household has subscribed. For one day events, partners call back training participants within a month to determine if they have subscribed. New subscribers are asked to share their "welcome letter" confirming service or their first month's bill in order to receive discounted computers or a subsidy to help pay one month of service. Some partners use the welcome letter or confirmation email from the providers as a raffle ticket for prizes to create incentives for adoption. In some cases an email from class participants showing the provider's name demonstrates a subscription.
	ACT partners have enabled 2,337 people to adopt broadband at home to date. Some of the groups have found subsidizing broadband at home helps subscriptions. Half of these subscriptions, 1,377, are subsidized. CETF expects the project to exceed its target of 9,237 next September when it reports its portion of the PPIC numbers to NTIA.

6. Please describe the two most common barriers to broadband adoption that you have experienced this year in connection with your project. What steps did you take to address them (600 words or less)?

The most common barrier in the first three months of the project has been hiring qualified staff and training existing staff on the specific requirements of administering a federal award. ACT partners have been identifying candidates that have both the experience working with targeted audiences, such as participants with low-English comprehension, as well as project specific skills. These new hires along with existing staff also needed to be trained on how to adapt their current project monitoring and evaluation process to be compatible with the requirements of the BTOP program.

A second common barrier has been identifying broadband service providers offering low financial and transaction costs to subscription. Low-cost subscription offers frequently sunset and can leave low-income participants with a service bill that is outside of their budget. Transaction costs like credit checks can also be prohibitive to many from our target populations. ACT partners have successful programs providing training to the target population; but they are having difficulty bringing candidates all the way to adoption due to these barriers.

After the first quarter, the biggest barrier was helping non-profits and public agencies go the distance to help clients understand how to buy broadband that benefits their clients. Many public agencies and non-profits don't see this as their role. Traditionally their role has been to train clients how to use the computer. This project has asked partners to go the distance. As partners have stepped up to this challenge they have learned the value of making it easy for the client to get everything from them—training, education about computers and broadband, a computer, and help buying a broadband service. When this happens success follows.

The next biggest barrier to broadband adoption has been the lack of an affordable broadband rate that includes some other key features that prevent people from adopting such as no credit check or long-term contracts and reduced installation and modem costs. As partners learned more about the difficulty of choosing a provider they have been clearer about the role they can play in educating

clients. Meanwhile CETF reached out to some of the largest broadband providers in the state to encourage their consideration of a special rate or discount that partners can offer their clients as incentive to subscribe. Private technology companies have not invested enough in consumer education especially in low-income communities. Comcast was the first company to offer an affordable program, although it needs additional promotion and process improvements which the California Comcast team has been reporting to headquarters.

The next challenge has been realizing that most of the students signing up for the ICT classes have broadband and the one who do not need more assistance than originally thought to see the value of broadband. For the groups it has meant developing new strategies to reach their adoption numbers. The ACT partners have benefited greatly from the lessons the BAA partners learned about adoption. The lessons are summarized under Question 6. Several of the ACT partners have started a basic introduction to computers to identify the unconnected in their community, others are modifying their outreach strategies and training curriculum to appeal to the unconnected.

Two of the partners work with students under 18 and so it is not appropriate to encourage them to purchase broadband. The ACME Network developed a very successful strategy, a competition that uses prizes as incentives to promote adoption. Briefly the classroom with the highest number of new adoptions at home won computers from Dreamworks along with the student with the highest number of adoptions. Read more about this successful effort in the Summer 2011 newsletter (http://getconnectedtoday.com/files/Connections_Q3_2011_1.pdf).

7. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities. (150 words or less)
Three firms CETF does business with qualify as social and economically disadvantage small businesses.

SAESHE is a minority owned media placement firm. SAESHE handles the media for the Get Connected! program.

Core Bookkeeping minority woman owned business that handles the bookkeeping and provides the financial reports needed for federal reporting.

ISL is a minority owned firm that handles the internal IT for CETF, a portion which is paid for by this grant.

8. Please describe any best practices / lessons learned that can be shared with other similar BTOP projects (900 words or less).
One of the best practices of ACT is establishing is a facilitated Learning Community among CETF and the 11 partners. Beginning before the grant was awarded, CETF and its partners had regular webinars and conference calls to plan, coordinate due diligence questions, training materials, media and outreach strategies. Once the grant was announced, partners used the Learning Community, online and in person, to continue this communication. Topics were also added such as sharing their best practices on federal reporting, project management and any breakthroughs or potential partnerships with new entities from which all the ACT partners can benefit. The overall Learning Community was complimented by regional working groups where partners could compare strategies. This regular and structured communication helps partners avoid working in isolation and overcome inertia to changing strategies. It has been essential to review and change or fine tune strategies on a regular basis. CETF hired the Glen Price Group to run the Learning Community.

The Learning Community also serves as a way for partners to hold each other accountable to meeting the overall goals of the grant. ACT partners meet in-person for quarterly trainings and review overall progress and recognize each other for their accomplishments. Over time, this has resulted in ACT partners collaborating jointly on key projects and events further reinforcing the team message in delivering the overall project outcomes. The Learning Community includes numerous online tools such as employing BaseCamp for messaging and overall project management, iCal and EditWrite for calendar and contact information, and Drop Box for file sharing. To date the following highlights incorrect assumptions from the Learning Community of both NTIA grants reflecting on their experience:

• Train them and they will adopt.
• Most participants are not subscribed.
• ICT students will readily adopt.
• Information leads to knowledge leads to action.
• Raffles with prizes to build lists will yield people who give 'good' contact info because they want to adoption.
• Discounts (one-time) on service will increase adoption.
• Low monthly price will increase adoption. (FYI $9.95 does seem to be the number that gets people to take action.)

Another "best practice' are the Get Connected! Roundtables, CETF launched in Q4 2010, to accelerate broadband adoption. The Roundtables serve as a place to work with California NTIA grantees, local anchor institutions, schools, park and recreation departments, libraries and other community-based organizations to close the Digital Divide. The Roundtables have been held in 5 regions – Los Angeles, San Joaquin Valley, San Francisco Bay Area, Inland Empire and the Silicon Valley. The Roundtables were

well-received with participants giving high ratings on the evaluation forms and wanting to continue meeting to work on tangible next steps. To date, a total of 13 regional Get Connected! Roundtables have been organized with 139 organizations.

Region	# of Participants	# of Organizations	# of Roundtables
Los Angeles	76	19	3
Central Valley	73	21	3
Inland Empire	65	43	3
SF Bay Area	78	31	3
Silicon Valley	33	25	1
Total	325	139	13

The Roundtables also facilitated the exchange of information about changes in the broadband policy arena, such as the introduction of Internet Essentials. This infrastructure will be a good work well to share information about Connect to Compete and the Connect America Fund as more information is made available.

As another best practice, CETF and its partners designed and administered an online survey for training participants in order to assess the technology needs and capacity of clients served. ACT partners have surveyed a total of 1,657 clients which informed them how best to refine the curriculum as well as the overall approach to training and broadband adoption. For example, 94% of the clients reported incomes under $40,000. This is the threshold definition for low-income and one of the targeted population for this grant and consider below poverty for the cost of living in California. In addition, 81% percent were unemployed so broadband training on searching for employment and how to save money were very important to this population.