

RECIPIENT NAME: Connected Nation, Inc.

AWARD NUMBER: 21-43-B10546

DATE: 10/29/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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 21-43-B10546	3. DUNS Number 086130007
4. Recipient Organization Connected Nation, Inc. 1020 College St, Bowling Green, KY 421012137		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012	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	7c. Telephone (area code, number and extension)	
	7d. Email Address bbogle@connectednation.org	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 10-29-2012	

Project Indicators (This Quarter)

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

Connect Ohio continued to work with sub-recipients for the Every Citizen Online (ECO) computer training. Currently, 113 sub-recipients have trained 27,154 students through instructor-led training and 345 students have been trained through self-paced curriculum for a total of 27,499 trained participants across the state. A total of 1,518 computers have been distributed to sub-recipients. Training locations now total 302 and can be found in 73 of 88 Ohio counties. One partner in the greater Cincinnati area, Tech-Reach of Elder High School, has already received a strong response from teachers participating in the basic training.

The newest public service announcements (PSAs) for television and radio began airing. PSA themes include job searching and helping small businesses, online education, communicating with family, and online tools for senior citizens. This quarter's theme was services emphasizing the ease of connecting to family online, convenience of shopping and banking online, and added knowledge from researching hobbies, travel, and projects online. Since inception, more than 42,500 PSAs have aired on 34 television stations, 204,000 PSAs have aired on 122 radio stations, and PSAs run in 100 newspapers weekly. PSAs have generated approximately 982 million impressions with an additional 14 million impressions from more than 200 press releases sent to local and statewide news organizations. Such as:

*Internet Use Improves Lives of Each Every Citizen Online Participant Differently -

(<http://connectohio.org/blog/post/internet-use-improves-lives-each-every-citizen-online-participant-differently>)

Patricia Dolan had taken computer courses in the past, but was still frustrated with her lack of skills and wanted to take a course that would start at the basics. "It is just mind boggling what actually can be done with a computer," said Dolan after completing ECO. "It's not something I am going to throw out anymore. At the beginning, I was frustrated and going to throw it all out." Lou Cassaro, a 72-year-old retiree, took ECO after being elected secretary of his wood carving club. "I used to be a builder," said Cassaro. "I could take a stack of lumber and build a house, but if I sat in front of a computer I couldn't do anything. I felt stupid. Now, I am more comfortable and am making the club newsletters on my own," he said. "I can even include photos. At this point, I'm enjoying it."

*A.C.E. Inc. Provides Every Citizen Online to Educate Adults Living with Mental Illness on Technology -

Advocacy, Choices, and Empowerment (ACE), Inc. is a wellness and recovery center for people who live with mental illness that aims to improve their quality of life through educational services and opportunity for community involvement. ACE, Inc. joined with Tuscarawas County Public Library to provide members with Every Citizen Online (ECO) computer and Internet training. "For the first time, I've learned how to use e-mail," said Jeffrey Edwards, ACE member and ECO participant. Both the video (<http://youtu.be/ekNMjQe7CMg>) and story (<http://connectohio.org/blog/post/ace-inc-provides-eco-educate-members-technology>) are available on the Connect Ohio website.

*Every Citizen Online Training Helps Teachers Keep Up with Technology -

(<http://connectohio.org/blog/post/every-citizen-online-training-helps-teachers-keep-technology>)

Norma Leguillon, a pre-k teacher in the Cincinnati area, took ECO training along with a coworker. Leguillon says her students' parents are now beginning to communicate with her through e-mail. After ECO training, she feels more comfortable using this online communication. She's now ready to take advanced classes and is learning PowerPoint in order to create visual presentations for the students and their parents.

The call center, handling response from PSAs, has processed 10,227 calls representing 823 ZIP codes across the state. To date, 6,552 surveys have been completed by ECO participants. Of survey respondents, 74 percent have indicated they would subscribe to broadband within the next year in response to the training.

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	63	The approved baseline plan anticipated the project to be 87% complete this quarter. While the program saw progress this quarter, the overall project has not met the anticipated completion percentage. This differential is attributed to the program's ongoing challenge to increase trainee participation. While some sub-recipients are meeting or exceeding expectations, others have struggled. In some instances the struggling sub-recipients decided to terminate their participation in the program which resulted in fewer training activities.
2.b.	Equipment / Supply Purchases	-	Progress reported in Question 4 below

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

Trainee participation continues to be a challenge for some sub-recipients while others are meeting or exceeding expectations. Field Operations Managers continue to meet with struggling sub-recipients and to review their progress in order to make informed decisions regarding their continued involvement in the program. Through these meetings, several sub-recipients have decided to terminate their agreements early due to a lack of demand in their area or lack of staffing to handle the administration of the program. Program staff have determined that the initial goals of trained participants, instructor hours utilized, and computers distributed will not be met by the end of the program due to many factors including: initial sub-recipients who committed to the program but were unable to begin training as a result of funding cuts and/or lack of staff, additional outreach to new sub-recipients resulted in a high volume of Sub-Awards but those awards did not necessarily result in a high number of anticipated trainees, and self-paced training availability did not produce many trainees due to the level of computer knowledge necessary to complete the curriculum.

Tactics being used to improve program element successes are listed below:

1. Training facilities struggling with low attendance work directly with the program's Outreach & Awareness Specialist to create personalized, local public service announcements in order to increase awareness of training availability in sparsely populated areas.
2. Monthly e-newsletters continue to be distributed to all sub-recipients' staff in order to keep them informed about a milestone progress, targets, and general ECO program updates. In addition, the e-newsletters serve as regular reminders and include recommendations to sub-recipients on best practices in an effort to increase program objectives.
3. Monthly trend reports are generated in order to determine program successes against challenge areas, and are used in sub-recipient program reviews.
4. The call center transfers a participant directly to their closest facility to ensure that they are connected to someone and can be registered.
5. Whenever possible, training facilities are attempting to over-book or otherwise postpone classes until there is enough demand to ensure the class will be better attended.
6. Training facilities are scheduling class sessions in closer proximity (e.g. three days in a row as opposed to one day over three weeks), which has proven to improve follow-on attendance.
7. Training facilities are engaging training participants to encourage their friends, family, and coworkers to join them in a class. These referrals have proven to improve not only attendance but overall class dynamics as well.
8. When all else fails, Connected Nation encourages sub-recipients to combine under-attended classes on their reimbursement request (e.g. two 4 person classes appear as one 8 person class) allowing the training hour reimbursement to be more effectively used.

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	Activities accounted for in Forum Addendum	178,596	27,499	20,349	1,100
Total:			178,596	27,499	20,349	1,100

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 Household Subscribers is a calculation of the number of participants who completed 6 hours of training multiplied by the percentage of participants who indicate their intent to subscribe for household use, but not for business use as a result of the ECO class. The percentage of 74% is a general conversion rate based on information taken from a survey that is completed by participants

through our website. This percentage will vary quarter to quarter as survey responses vary.

New Business Subscribers is a calculation of the number of participants who completed 6 hours of training multiplied by the percentage of participants who indicate their intent to subscribe for business use as a result of the ECO class. The percentage of 4% is a general conversion rate based on information taken from a survey that is completed by participants through our website. This percentage will vary quarter to quarter as survey responses vary.

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).

Currently, the number of new Household Subscribers (reported cumulatively through project inception) is 20,349 and new Business Subscribers is 1,100. Our baseline goal through the reporting quarter was 57,000 for Household Subscribers and 3,000 for Business Subscribers. Ultimately, the challenges stated in response to question 3 (in the previous section of this report) continue to be an issue in reaching the initial projected baseline. By not reaching the originally anticipated number of trainees, the program will be unable to attain the original baseline subscribership goals. In addition, the reluctance of participants to complete the program survey continues to hinder the program's success in reaching its targets. Connect Ohio created an instructional handout to aid participants completing the survey last quarter. Particularly in cases where instructors struggle to complete the survey within the allotted time frame of the class. Unfortunately, despite circulation of these handouts, there has been no significant increase in survey completions sustained this quarter.

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).

- Additional computers will be distributed to current sub-recipients in order to facilitate more training in high-demand areas.
- Another series of public service announcements will be distributed statewide through Radio, Television, and Newspapers. While, personalized, local PSAs will also be developed and distributed.
- We plan to have 30,000 total participants trained.
- Through the program we anticipate confirming 21,500 residential and 1,200 new business subscribers.
- Field Operations Managers will conduct one-on-one meetings with sub-recipients throughout the state and the Every Citizen Online program will host five regional forums.

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	73	The program continues to progress; however, will fall short of the baseline plan projection of 100% by next quarter. Many of the program's Sub-Award Agreements expired in September 2012 or will be expiring in December 2012 which will reduce the amount of active sub-recipients and training activities significantly. Field Operations Managers are working with current sub-recipients to increase allocated training hours to subs meeting or exceeding training expectations. Additionally, Program Staff continue to encourage sub-recipients who have not yet done so, to purchase their computers, which the delay of these purchases has historically been a factor. Connected Nation engaged more sub-recipients with a larger scope of training across several counties during Q3 2012. These organizations, as well as five others currently pending approval, are expected to purchase computers and begin training during Q4 2012.
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).

Program participation has been an ongoing challenge throughout the project. In addition, many of the program's Sub-Award Agreements expired in September 2012 or will be expiring in December 2012 which will reduce the amount of active sub-recipients and training activities significantly. Due to the length of time remaining until the end of the program, very few, if any, additional sub-recipients will be on-boarded. Connected Nation will primarily focus staff efforts on current sub-recipients and their productivity levels. Program staff will continue to implement the mitigation tactics discussed in response to question 3 (in the previous section of this report) in order to boost current sub-recipient progress.

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	\$736,032	\$207,610	\$528,422	\$765,485	\$207,281	\$558,204	\$886,264	\$207,281	\$678,983
b. Fringe Benefits	\$157,880	\$44,532	\$113,348	\$175,716	\$44,861	\$130,855	\$195,221	\$44,861	\$150,360
c. Travel	\$93,448	\$0	\$93,448	\$98,078	\$0	\$98,078	\$110,078	\$0	\$110,078
d. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$1,112,500	\$229,125	\$883,375	\$975,697	\$302,958	\$672,739	\$995,757	\$306,958	\$688,799
f. Contractual	\$3,522,860	\$688,681	\$2,834,179	\$1,025,045	\$283,550	\$741,495	\$1,542,461	\$438,775	\$1,103,686
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$3,554,380	\$1,735,277	\$1,819,103	\$2,431,602	\$1,230,779	\$1,200,823	\$2,681,360	\$1,366,654	\$1,314,706
i. Total Direct Charges (sum of a through h)	\$9,177,100	\$2,905,225	\$6,271,875	\$5,471,623	\$2,069,429	\$3,402,194	\$6,411,141	\$2,364,529	\$4,046,612
j. Indirect Charges	\$814,175	\$229,651	\$584,524	\$774,855	\$229,651	\$545,204	\$859,025	\$229,651	\$629,374
k. TOTALS (sum of i and j)	\$9,991,275	\$3,134,876	\$6,856,399	\$6,246,478	\$2,299,080	\$3,947,398	\$7,270,166	\$2,594,180	\$4,675,986

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
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