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	**21-43-B10546**	**086130007**

4. Recipient Organization

Connected Nation, Inc. 1020 College St, Bowling Green, KY 421012137

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
09-30-2013	○ 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)
Bernie Bogle	270-781-4320
Grants Management Officer	**7d. Email Address** bbogle@connectednation.org

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	10-28-2013

Project Indicators (This Quarter)

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

Connect Ohio began a transition to move Every Citizen Online (ECO) computer training sub-recipients to self-paced training option only locations this quarter. To date, 118 sub-recipients have trained 43,479 students through instructor-led training and 418 students have been trained through self-paced curriculum for a total of 43,897 trained participants across the state. A total of 1,763 computers have been distributed to sub-recipients throughout the grant period. As of September 30, training locations have all converted to either self-paced basic digital literacy sites or Digital Works sites. The Digital Works program provides mentoring and training to workers seeking employment and places them in quality teleworking jobs. Digital Works launched its second location in Logan, Ohio and held an open house to the community in August. In the first full quarter of operation, the program had 35 participants enrolled across two locations. Completion certificates have been awarded to 21 participants, 12 of whom are participants already working and 9 are in the application process. The 15 remaining participants are currently in the rolling training and mentorship process.

* Connect Ohio Opens Jobs Skills & Placement Center in Logan
(http://connectohio.org/recent-news/connect-ohio-opens-jobs-skills-placement-center-logan)
"Technology is important to our world, it's important for our children, it's important for how we develop jobs," said the Director of Ohio Governor's Office of Appalachia. "Appalachian Ohio has a quality workforce, but a large component missing is the job opportunities. Digital Works is providing the opportunity to connect the Appalachian region to twenty-first century jobs."

The ECO All-Star Facility award was presented to Cuyahoga County Public Library by Connect Ohio Executive Director Stu Johnson during Connect Ohio's quarterly Technology Association Meeting held in Columbus July 26, 2013. Staff choose the ECO All-Star Facility awardee based on meeting various program "hallmarks of excellence." Cuyahoga County Public Library has been a partner in the ECO program since early 2011 and has trained over 4,000 adults through the program.

The ECO public awareness campaign, consisting of TV and radio public service announcements (PSAs), wrapped this quarter. The program's PSA themes included job searching and helping small businesses, online education, communicating with family, and online tools for senior citizens. Since inception, more than 328,154 radio and television spots have aired in Ohio, which together with 23,288 weekly newspaper spots and more than 250 press releases generating articles in local media, created an estimated 176 million media impressions. Such as:

* Senator Sherrod Brown's Proclamation
(http://connectohio.org/sites/default/files/connected-nation/Ohio/files/sherrod_brown_proclamation.pdf)
"I would like to offer my sincere congratulations on the unveiling of Digital Works in Logan," said Senator Sherrod Brown. "…This is an excellent addition to a wonderful program that has and will continue to play a pivotal role in the revitalization of Ohio's economy."

* Free computer classes for novices this month
(http://connectohio.org/recent-news/free-computer-classes-novices-month)
Mahoning-Youngstown Community Action Partnership (MYCAP), 1325 Fifth Ave., Youngstown, is offering free computer literacy classes for adults 18 and over in July.

* Digital Works promises training, jobs in Carroll County
(http://connectohio.org/recent-news/digital-works-promises-training-jobs-carroll-county)
Carroll County commissioners approved a memorandum of understanding with Digital Works, a job incubator affiliated with Connect Ohio and [Connected Nation], on Thursday.

Media releases and compiled stories of ECO participant successes can be viewed on Connect Ohio's website under Media Center: http://connectohio.org/media-center.

The call center, handling responses from PSAs, has processed 14,988 calls representing 878 ZIP codes across the state.

To date, 9,800 surveys have been completed by ECO participants. Of survey respondents, 67% 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)

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	Overall Project	99	The approved baseline plan anticipated the project to be 100% complete this quarter. While the program saw progress throughout Q3 2013, the overall project has not met the anticipated completion percentage. This differential is attributed to sub-recipient training costs. All of the program's Sub-Award Agreements expired as of September 30, 2013 without many of the sub-recipients having fulfilled their contracted number of training hours. The Digital Works program continues its efforts with the opening of its second location. Additional locations will begin mentoring and training workers next quarter.
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).

Trainee participation continued to be a challenge for some sub-recipients while others met or exceeded expectations during the final quarter of instructor- led training. Program staff met with struggling sub-recipients to review their progress in order to make informed decisions regarding their continued involvement in the program and upcoming Sub-Award termination plan. Through these meetings, a ramp-down plan was devised with sub-recipients terminating their agreements over the course of the quarter, with some sub-recipients having elected to terminate early due to a lack of demand in their area or lack of staffing to handle the administration of the program.

Program staff has 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: some initial sub-recipients committed to the program but were unable to begin training as a result of funding cuts and/or lack of staff; resulting outreach to new sub-recipients produced in a high volume of Sub-Awards but those awards did not necessarily result in a high number of trainees; and self-paced training availability did not produce many trainees due to the level of computer knowledge necessary to complete the curriculum.

As of September 30, training locations have all converted to either self-paced basic digital literacy sites or Digital Works sites. Therefore we anticipate a modest number of additional basic computer trainees over the course of Q4 2013. However, we project an additional 33 Ohioans securing employment as a result of the Digital Works workforce development program.

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
na	na	Activities accounted for in attached forum addendum	183,737	43,897	29,411	1,755
	Total:		**183,737**	**43,897**	**29,411**	**1,755**

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 67% is a general conversion rate based on information taken from a survey that is completed by participants through the program website. This percentage will vary each 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 the program website. This percentage will vary each 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 29,411 and new Business Subscribers is 1,755. Our baseline goal through the reporting quarter was 71,440 for Household Subscribers and 3,760 for Business Subscribers. Ultimately, the challenges stated in response to question 3 (in the previous section of this report) continued 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 has hindered the program's success in reaching its targets.

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).
Seven new Digital Works program locations are projected to be established throughout Ohio for a total of ten active centers.

Through the Digital Works program, secure employment for 45 Ohioans.

Through the Every Citizen Online basic computer training, have trained a total of 44,000 participants.

Through program surveys, we anticipate confirming 29,480 residential and 1,760 new business subscribers.

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**	100	The baseline plan projection is at 100% next quarter.
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).
All program Sub-Award Agreements have expired which will reduce the amount of basic digital literacy training activity to self-paced only.

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	$1,258,004	$12,170	$1,245,834	$1,386,679	$12,170	$1,374,509	$1,519,493	$12,170	$1,507,323
b. Fringe Benefits	$277,040	$2,275	$274,765	$323,817	$2,275	$321,542	$348,173	$2,275	$345,898
c. Travel	$144,933	$0	$144,933	$189,511	$0	$189,511	$210,976	$0	$210,976
d. Equipment	$75,000	$0	$75,000	$0	$0	$0	$0	$0	$0
e. Supplies	$111,212	$86,964	$24,248	$153,846	$93,795	$60,051	$222,476	$93,795	$128,681
f. Contractual	$79,585	$18,616	$60,969	$220,920	$60,720	$160,200	$244,134	$60,720	$183,414
g. Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Other	$6,171,760	$2,211,344	$3,960,416	$5,793,515	$2,481,568	$3,311,947	$5,871,059	$2,497,302	$3,373,757
i. Total Direct Charges (sum of a through h)	$8,117,534	$2,331,369	$5,786,165	$8,068,288	$2,650,528	$5,417,760	$8,416,311	$2,666,262	$5,750,049
j. Indirect Charges	$1,086,582	$16,348	$1,070,234	$1,083,437	$16,348	$1,067,089	$1,122,698	$16,348	$1,106,350
k. TOTALS (sum of i and j)	$9,204,116	$2,347,717	$6,856,399	$9,151,725	$2,666,876	$6,484,849	$9,539,009	$2,682,610	$6,856,399

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