

RECIPIENT NAME: Connected Nation, Inc.

AWARD NUMBER: 21-43-B10546

DATE: 11/07/2011

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) 09-30-2011	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): 11-07-2011	

Project Indicators (This Quarter)

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

Staff is in place providing leadership and support for the Every Citizen Online (ECO) program.

Worked with sub-recipients to adjust their ongoing involvement with the ECO program. 82 sub-recipients are confirmed and 73 have launched classes. 14,141 students are registered for classes, 11,221 students have been trained. 574 computers have been distributed to sub-recipients. New sub-recipients negotiated and executed contracts with Connected Nation.

Sub-recipients offer bi-lingual classes to participants. Bi-lingual scripts and public awareness materials were created and are available through the program's call center.

Monthly meetings with sub-recipients in 24 regions across the state were held.

The newest public service announcements (PSAs) for television and radio began hitting the airways. Each quarter, a new themed PSA airs. Themes include job searching and helping small businesses, online education, communicating with family, and online tools for senior citizens. Since inception, 25,000 PSAs have aired on 34 television stations, 100,000 PSAs have aired on 122 radio stations, and PSAs run in 95 newspapers weekly. PSAs have generated approximately 400 million impressions with an additional 5.7 million impressions from 144 press releases sent to local and state news organizations.

A computer giveaway was held to stimulate ECO participation and survey completion. Twelve recipients were chosen by random draw. Media events took place for each computer distributed to a winner, resulting in increased program awareness throughout the state through local TV, radio, and newspaper stories.

The call center, handling responses from PSAs, has processed 5,147 calls representing 670 ZIP Codes across the state.

Survey information collected from ECO participants is accessible in real time and an analysis summary is provided each month. 2,721 surveys were completed and 87% of participants indicated they would subscribe to broadband within the next year.

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	34	The approved baseline plan anticipated the project to be 36% complete this quarter. While the program continues to progress, the overall project has not met the anticipated completion percentage. This differential is attributed to the need for additional sub-recipients. We anticipate engaging more sub-recipients over the coming 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 continues to be a challenge for some sub-recipients while others are able to get people signed up for and to attend classes. We are continuing to mitigate this trend through the tactics listed below, but are also investigating additional reasons that may be causing this issue. Field Ops Managers are meeting regularly with sub-recipients and the program staff is focused on finding other ways in which we can provide assistance to sub-recipients in an effort to help increase attendance and participation in general. Further, we are working to engage additional sub-recipients.

Sub-recipients are trying to mitigate the participation trend using the following tactics:

1. Training facilities are routinely contacting registrants prior to scheduled training to remind them of their class and offer to reschedule them if a conflict exists.
2. 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.
3. Training facilities are scheduling class sessions in closer proximity (eg. three days in a row as opposed to one day over three weeks), which has proven to improve follow-on attendance.
4. Training facilities are engaging training participants to encourage their friends, family and coworkers to join them in a class. This peer-pressure has proven to improve not only attendance but overall class dynamics as well.
5. When all else fails, Connected Nation encourages sub-recipients to combine under-attended classes on their reimbursement request (eg. two 4 person classes appear as one) 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	253,761	11,221	9,763	337
Total:			253,761	11,221	9,763	337

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 have taken at least one hour of training multiplied by the percentage of participants who indicate their intent to subscribe for household use, but not for business use. The percentage of 87% 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 have taken at least one hour of training multiplied by the percentage of participants who indicate their intent to subscribe for business use. The percentage of 3% 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).

The number of new household (9,763) and business subscribers (337) have not reached the targets set forth in the baseline plan (14,000 households and 600 businesses) due to the fact that we have not yet reached our goal number of hours allocated and goal number of sub-recipients. We continue to show a strong subscriber rate, at 87% for household and 3% for businesses, of those that have taken the training. Both are higher percentage rates than anticipated at the beginning of the program. We continue to add sub-recipients to allow for higher numbers of participation and therefore more subscribers.

We have, though, met the target goal of residential subscribers as set forth in the Q2 2011 Project Indicators (9,000) and were just shy for business subscribers (350).

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 sub-recipients in order to facilitate training.
- Another series of Public Service Announcements will be distributed through Radio, Television, Newspaper, and Press Releases throughout Ohio.
- We plan to have 16,000 participants trained through the next quarter.
- Through the program we will confirm 13,500 residential and 450 new business subscribers.

- Field staff will conduct one-on-one meetings with sub-recipients throughout the state and the Every Citizen Online program will host one statewide forum.
- The program will provide approximately 11,000 hours of training to participants.

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	44	The approved Baseline plan anticipates the project to be 48% complete as of next quarter. However, we may vary from the Baseline plan as a result of sub-recipients who have delayed purchasing their computers for a variety of reasons.
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).

We will continue to work with broadband Providers to make voluntary incentives available to program participants in the hope that these will ensure the adoption levels predicted.

Program staff will continue to implement the mitigation tactics discussed in question 3 (in the previous section of this report) as well as generate new possible solutions to ensure participation increase and the most effective use of grant dollars.

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	\$420,520	\$207,281	\$213,239	\$524,262	\$207,281	\$316,981
b. Fringe Benefits	\$157,880	\$44,532	\$113,348	\$92,526	\$44,861	\$47,665	\$115,361	\$44,861	\$70,500
c. Travel	\$93,448	\$0	\$93,448	\$58,368	\$0	\$58,368	\$64,948	\$0	\$64,948
d. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$1,112,500	\$229,125	\$883,375	\$694,082	\$240,991	\$453,091	\$871,937	\$274,562	\$597,375
f. Contractual	\$3,522,860	\$688,681	\$2,834,179	\$345,709	\$96,991	\$248,718	\$513,297	\$147,267	\$366,030
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$3,554,380	\$1,735,277	\$1,819,103	\$1,307,776	\$578,400	\$729,376	\$1,722,903	\$756,312	\$966,591
i. Total Direct Charges (sum of a through h)	\$9,177,100	\$2,905,225	\$6,271,875	\$2,918,981	\$1,168,524	\$1,750,457	\$3,812,708	\$1,430,283	\$2,382,425
j. Indirect Charges	\$814,175	\$229,651	\$584,524	\$466,917	\$229,651	\$237,266	\$560,580	\$214,673	\$345,907
k. TOTALS (sum of i and j)	\$9,991,275	\$3,134,876	\$6,856,399	\$3,385,898	\$1,398,175	\$1,987,723	\$4,373,288	\$1,644,956	\$2,728,332

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