ANNUAL 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	06-43-B10013	830370800

4. Recipient Organization

California Emerging Technology Fund The Hearst Building, 5 Third Street, Suite 520, San Francisco, CA 94103-3206

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Annual Report of the Award Period?
12-31-2012	◯ 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)
Luis Arteaga	
	7d. Email Address: luis.arteaga@cetfund.org
7b. Signature of Certifying Official: Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-15-2013

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 Broadband Awareness and Adoption project (BAA) is to raise awareness about the benefits of broadband and help people subscribe to broadband and not a particular technology. The training materials used by the BAA partners provided information about the different broadband options prevalent in the market – DSL and Cable. This information was 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can address four barriers for broadband adoption – concern about mobility, reluctance to sign a long-term contract, outdated internal wiring that prevents service and areas where service providers have declined to provide infrastructure.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	n/a	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 not qualify under the federal definition as equipment; however, CETF wanted to share the value BAA partners see in distributing refurbished computers as effective incentives for people to subscribe to broadband. Since 2010, BAA partners helped distribute 6,866 refurbished desktop computers to low-income families. The families receive a computer when they complete training and sign-up for broadband. The computers were both given away and sold to participants. In some cases BAA partners subsidized the computer purchase. Early on a BAA partner also purchased and distributed 4 Apple iPads as raffle items to encourage people to sign-up for a texting campaign. More people entered the raffle for the prizes and did not respond to other information sent to them after the winners were announced. Computers were also donated to set up three new computer labs in Fresno, Los Angeles and Salinas.

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	0	0	0
Office Skills	0	0	0
ESL	0	0	0
GED	0	0	0
College Preparatory Training	0	0	0
Basic Internet and Computer Use	3,463,000	716,945	1,191,032
Certified Training Programs	0	0	0
Other (please specify):	37,000	2,173	2,173
Total	3,500,000	719,118	1,193,205

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).

This project has been successful in achieving several of its primary goals – widespread broadband awareness and education about why adopting broadband is important targeted to those least likely to have broadband at home and significant broadband adoption at home.

AWARENESS—CETF and its BAA partners have implemented a successful award winning public awareness program, Get Connected!, and leveraged their relationships with media to increase visibility and overall awareness about the benefits of broadband. One partner, the Dewey Square Group, was able to leverage the strategic direction of impreMedia, the leading Hispanic news and information company in the country, by fostering digital literacy skills among its bilingual readership in California with Club Digital. This combination of paid media from Get Connected! and Club Digital has resulted in the project exceeding it goal for awareness by 266% reaching 225 million impressions. CETF received audience reports from valid third party research firms showing the number of impressions and people reached.

As a result CETF has exceeded its awareness target of 5 million people reached by 266%.

EDUCATION/TRAINING—The project has excelled at education and training the target audience. The Latino Community Foundation (LCF), a BAA partner, itself has eight partners. LCF successfully used a strategy that said “go where the target audience goes.” Their partners are very different and range from a community health clinic to an employment center. The LCF group alone has trained 4,412 participants.

The project has succeeded by developing outstanding educational products that will help sustain the work. The materials for educating low-income people without broadband are in Spanish and English. Some are available in Korean and Chinese. Examples include: a curriculum LCF wrote in Spanish instead of translating it from English. BAA partners pulled content together for a 16 page bilingual newspaper insert with impreMedia which reached over 800,000 Latino households. Club Digital was a resounding success, responsible for the majority of people trained. Readers reported improving their digital literacy skills and subscriptions. Club Digital Phase 1 was a month long education series in the daily newspaper, in Los Angeles/Orange and weekly insert in San Francisco, covered topics from setting up an email account, getting broadband, staying safe online, shopping and banking online, finding college resources online and more than 14 others. Club Digital Phase 2 occurred in May 2012 for one week targeting the Greater Los Angeles Area. These resources were made available in many libraries, classes of partners and the websites of impreMedia (http://club-digital.com/about) and Get Connected! www.getconnectedtoday.com. CETF counted a total of 630,041 Club Trainings which includes those who spent 1.5 hours reading the articles in Phase One and 3 hours or more in Club Digital Two.

As a result CETF exceeded its training target of 678,000 having reached 106% to date.

OUTREACH—BAA also exceeded its outreach goal of 5 million by reaching over 13 million people since 2010. Partners have complemented the paid media with outreach and engagement strategies to reinforce the media messages and sign-up people to attend local trainings, get computers repair and for broadband assistance. Major outreach strategies, such as the media spots encouraging viewers to call 2-1-1 and One-e-App users requesting referrals have resulted in 282,655 referrals for training, 79,847 people completing digital literacy training and helped 7,478 households adopting broadband since 2010. Trusted local messengers and grassroots outreach with promotoras (community health workers) are examples of successful outreach tactics.

ADOPTION—BAA also exceeded its goal of 133,000 adoptions by assisting 198,743 households adopt broadband. Many training resources were not designed to help people navigate the broadband options and choose a provider. The BAA partners developed specific training to help the target audience understand how to be smart broadband shoppers. The partners are trusted messengers with public agencies and non-profits to provide the necessary training and be a resource for the hardest to serve.

As a result CETF exceed its adoption target of 133,000 by the end of the project having reached 149%.

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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73	**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 and in June 2012 adoption continued to increase to 60%.** **Overall CETF takes a conservative approach to tracking the outcomes in its federal reports. CETF does not claim total responsibility for all the increases in broadband adoption documented in the PPIC survey. The increases CETF and its BAA 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.** **Starting with the June 2011 PPIC survey, CETF counted a portion of the number of new adoptions recorded through this survey towards the CETF NTIA broadband adoption outcomes. As a conservative approach, CETF claimed 6% of the increase or 44,705 of the total number of new adopters under $40,000 were 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.** **Likewise with Club Digital, CETF required a pre and post Club Digital survey to determine broadband adoption and training numbers. The research was conducted on behalf of impreMedia by Simmons Research according to widely acceptable research standards for random surveys during September/ October 2011. It measured the training and adoption that resulted from Club Digital which ran in California from August 1 to August 31, 2011 by asking how many hours were spent reading the lessons and how much was learned as well as how many people subscribed to broadband in the seven weeks ending the first week of October when the survey was completed. A third survey was conducted by Simmons media in June and July 2012 to assess the impact of the Club Digital Phase Two which ran in May 2012. CETF estimates that 30,825 immediately adopted after Phase One and 108,434 from October 2011 to April 2012.** **BAA 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.**

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 biggest barrier during the first six months of the grant was helping partners go the distance to help clients understand how to buy broadband that benefits their clients. Many anchor institutions 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 low-cost computer, and help buying a broadband service. When this happens success follows.

The next biggest barrier is the lack of an affordable total package which includes an affordable home broadband rate and a computer. The ideal rate includes other key features that prevent people from adopting such as a 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 unsuccessfully reached out to some of the largest broadband providers in the state to request a special rate that partners could offer their clients as incentive to subscribe.

Technology companies need to invest enough in an effective eco-system that includes targeted consumer education, affordable package and affordable technical assistance in order to see low-income communities Get Connected! Comcast was the first company to offer a strong program, although it needs continued promotion and process improvements to reach its intended audience.

Another important barrier is that many of the participants have never used a computer or broadband. They felt it was outside the realm of possibility to learn technology. To overcome this challenge, BAA partners developed a broadband education curriculum that demonstrates the tangible and relevant benefits to being online. This helps clients see how they can save time and money which is a central message of the Get Connected! program. Again the curriculum includes modules and materials on how to choose a broadband

provider. The broadband adoption curriculum includes a script and worksheet that clients can use to call providers to compare "apples to apples" to see what works best for their individual needs. Clients are taught to be smart shoppers and negotiate for better rates or reduced costs for modems or installation. Some BAA partners have reached out to local representatives of the large providers and smaller ISPs that may be willing to provide some incentives. Some local ISPs have been willing to participate but only in limited markets.

The fourth challenge has been balancing the needs of the target population with the goal of increased adoption. In targeting low-income and other underserved clients, partners have found people who are interested in learning about computers and broadband. Unfortunately, many of them do not have the means to purchase a computer or face other financial barriers to subscribing such as the monthly fee or bad credit. These clients may require more training and time to save in order to purchase a computer or subscribe.

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 socially and economically disadvantaged small businesses.

SAESHE is a minority owned media placement firm. CETF is using its own funds ($500,000) to pay for the advertising. These funds are not in the budget for the Broadband Awareness and Adoption budget, but in essence represent an in-kind contribution to the project. Therefore SAESHE is entered in the ARRA report submitted.

Core Bookkeeping is a 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 BAA is establishing is a facilitated Learning Community among CETF and the 8 partners. Even before the grant was awarded, CETF and its 8 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 BAA 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. BAA partners meet in-person for quarterly trainings and review overall progress and recognize each other for their accomplishments. Over time, this has resulted in BAA 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.)

While the economic slowdown has hampered efforts to confirm new subscribers, even the hardest to reach people with limited incomes will make the investment if they see the value. An example follows of how the right combination of trusted messengers, training and support made a difference:

"James is a 68 year old man with progressive vision loss who came to the Center for Accessible Technology to take introductory computer classes. He had never used a computer before, and so using a mouse, clicking to open a website, etc - all of it was new to him. In addition to teaching basic skills, our Accessible Technology Specialist showed him how he could use a computer by changing the resolution settings so the text was enlarged, and how he could use the built in accessibility features on his system. He quickly started using the Internet, and was amazed by how much information he could find there. As a result of the classes he took in the CforAT computer lab, James bought DSL service from a local provider. He said, "DSL is not cheap, but my time is worth something to me. I can get information, take care of business and keep in touch easily, and so having broadband is worth the extra money, even to someone as broke as I am!"

CETF published quarterly newsletters highlighting the work of the BAA partners and capturing personal stories of how this project has made a difference in people's lives. The CETF Annual Report to be released in early 2013 will include additional stories about the impact of BAA.

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. BAA partners have surveyed a total of 4,376 clients (2,971 in Spanish and 1,405 in English) which informed them how best to refine the curriculum as well as the overall approach to training and broadband adoption. For example, among those surveyed in Spanish, 91% 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 considered below poverty given the cost of living in California. In addition, 49% percent were unemployed so broadband training on searching for employment and how to save money were very important to this population.

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 6 regions – Los Angeles, San Joaquin Valley, San Francisco Bay Area, Inland Empire, Central Coast 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 26 regional Get Connected! Roundtables have been organized with 230 organizations participating.

Region	# of Participants	# of Organizations	# of Roundtables
Los Angeles	102	38	5
Central Coast	34	26	1
Central Valley	124	34	6
Inland Empire	100	62	4
SF Bay Area	171	49	6
Silicon Valley	83	21	4
Total	614	230	26

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 work well to share information about Connect to Compete and the Connect America Fund as more information is made available.

Finally, CETF will publish a full report on "Challenges and Solutions" that document and catalogue lessons learned and best practices from both the NTIA grants awarded to CETF.