On March 28, 2007, the Connect Arkansas (CA) initiative was signed into law to ensure the creation of a competitive broadband, or high-speed internet, infrastructure. Given the importance of broadband internet access to the overall economic development of Arkansas, state leaders took aggressive steps towards addressing broadband access and use through CA. STATEMENT OF NEED. According to the 2008 State New Economy Index by the Information Technology and Innovation Foundation, Arkansas ranks 48th in the nation for healthcare, education and business. In regards to this study, 24% of these measurement metrics were tied to internet usage and access. In an independent study conducted by Connect Arkansas in 2008, only 49% of the population subscribed to broadband service, while another 29% had never used the internet. Likewise, in the 2010 report released by the Social Science Research Council (SSRC), 'Broadband Adoption in Low Income Communities,' found that 'broadband access is increasingly a requirement of socio-economic inclusion, not an outcome of it' and residents of low-income communities know this.' SSRC also noted in this report; 'Price is only one factor shaping the fragile equilibrium of home broadband adoption, and price pressures go beyond the obvious challenges of high monthly fees. Hardware costs, hidden fees, billing transparency, quality of service, and availability are major issues for low-income communities.' While collecting assessment data within 15 Arkansas counties, CA has found that counties with a 15% or higher individual poverty rate were 70% more likely to not utilize the internet. While these counties faced numerous alarming economic trends, on average, high poverty counties have low broadband adoption rates, which confirm the data found in the SSRC report. There is low home computer ownership (51% compared to the 77% national average) and low demand for obtaining home technologies (72% noted they do not know how to use a computer or find it too difficult to use). A higher poverty rate has also shown 52% 'never' use the internet when asked about the frequency of using broadband. Also, 64% of the population in these counties note the price they pay for high-speed internet is 'unreasonable.' CA discovered that homes with school age children were more likely to be engaged in technology and the internet. Homes with school age children had a 68% home computer ownership rate and utilized the computer (65%) for school projects and research. For those homes without a computer, 76% noted they were not able to afford a computer for their children. Meanwhile, 30% of these homes with internet access used the internet on a daily basis. CA's partner, University of Arkansas Medical Sciences (UAMS), found an equally alarming set of statistics. Arkansas currently ranks 43rd of 50 states with regard to the population's overall health status. Arkansans face a healthcare system that lacks the resources needed to serve their health needs, especially in low wealth communities. Augmenting the problem, many rural medical providers, facing poor earnings and a lack of educational resources, have been forced to close their facilities, endangering
the health of the residents of these failing communities and damaging the economic structure of rural
hometowns. OVERALL APPROACH. CA found that, focusing solely on development of broadband
infrastructure (i.e. supply), without addressing the low usage of the internet (i.e. demand) will limit the
ability for Arkansas to realize productivity gains. In order for broadband infrastructure to translate into
productivity gains and job growth, it must first be used in all aspects of healthcare, education, business
and economic development. CA's 'Expanding Broadband Use in Arkansas' Sustainable Adoption and
Mobile Public Computer Centers programs provide a statewide, strategic approach that provides
exposure, education and opportunity for all Arkansans to utilize broadband internet to enhance their
lives and improve productivity. Meanwhile, the 'Expanding Broadband Use in Arkansas through
Education' (EBAE), starts by bringing technology training to 5th-12th grade students through a two tier
training program. First, students and their parents may attend a series of basic technology training
workshops. At the end of these workshops, qualified families will be given computers through CA's
partnership with Computers for Kids. The students will then move on to an entrepreneurship program
that will walk the students through the design, establishment, building and operating of their own online
business that will end with students entering business plan competitions. Secondly, CA's partner, UAMS,
proposes to implement the Arkansas Center for Telehealth (ACT) program which will offer outreach and
training to ensure improved adoption of telehealth and broadband technologies in the delivery of
healthcare, research and community health education. The overall program seeks to engage adults in
broadband adoption through their children and the community within healthcare. The long term affects
will include expanding broadband subscribership, improved access to quality healthcare and job creation
through entrepreneurship. AREAS TO BE SERVED. While both rural and urban locations within Arkansas
show unserved and underserved broadband Census blocks, this program will serve 57 of the state's 75
counties. In particular, the 57 counties identified are counties with an average poverty rate of 15% or
higher (17 counties have 20% or higher poverty rates). With a statewide population of 2.8 million,
Arkansas sees one of the highest statewide poverty rates in the United States with 15-20% of the total
population in poverty according to the U.S. Census 'Small Area Income and Poverty Estimates.' Arkansas
also has 17 counties listed by the U.S. Census Bureau as 'persistent poverty' areas. East Arkansas
consists of the Delta region that is considered one of the most disparate regions in the country.
According to the Delta Regional Authority, the poverty rate in the Delta region is 55% higher than the
national average. From healthcare, education and population statistics to workforce, broadband
access/usage and living standards, the Delta region in Arkansas lacks in every measurement as
compared to national statistics. Meanwhile, the South Arkansas region is starting to see similar
difficulties as the Delta region. South Arkansas faces a poverty rate of 20% or higher, a 30% high school
dropout rate, only a 10% college completion rate and a 10% out migration of 20-30 year old residents.
Likewise, Western and North Central Arkansas also see similar statistics with 15-20% poverty rates, 28%
high school dropout rates, 10-15% college completion rates and a 6% out migration of 20-30 year olds.
Arkansas acknowledges its need to increase broadband adoption and usage as a critical component to
increasing opportunities in the new economy. APPLICANT QUALIFICATIONS. In 2009, Connect Arkansas
was designated as the lead broadband adoption, mapping and public computer center organization by
the Office of the Governor. CA has been engaged in community strategic planning and mapping around
broadband internet access since 2007, and the 501(c)(3) organization has been leading the statewide
collaborative effort between private and public sectors for over two years. JOBS. Immediately, this
program will create 4 full-time salaried and contract positions to ensure the overall program delivery by three years. Our partner organizations project 14 jobs will be saved or created through this program as well. Meanwhile, a 2007 study sponsored by the Brookings Institute found that, for every one percentage point of increase in broadband penetration in a state, employment increases by 0.2-0.3% per year. CA estimates a 20% increase in broadband usage in Arkansas per year for the next three years. Based on the Brookings percentage, that will directly or indirectly create new jobs during this time.

OVERALL COST. Connect Arkansas is requesting $5,236,385 for the Expanding Broadband Use in Arkansas Through Engaging Youth Program through the Sustainable Broadband Adoption American Recovery and Reinvestment Act Broadband Technology Opportunities Program (BTOP). The requested funds will be used to develop the adult and youth technology training program, youth entrepreneurship program, ACT, market all the programs and obtain the equipment as well as web access utilized within the program. Connect Arkansas has engaged in partnerships with MH Marketing, Computers for Kids, UAMS, Arkansas Economic Acceleration Foundation, the Delta Regional Authority, and six of the e-Communities to initiate this program. Likewise, Connect Arkansas is prepared to match the requested amount with 1,308,744 in both cash and in-kind funds that include public and private sources.