



One Economy Corporation Final Report for the California Emerging Technology Fund September 2010

Name of Executive Director: Kelley Dunne
Name of Project Manager: Alan Greenlee
Manager Phone Number: (323) 874-4844
Manager Email: agreenlee@one-economy.com
Name of Project: Bring IT Home California
Grant Number: 2002254
Start Date: 10/01/2007 **End Date:** 12/31/2009

I. Financial Summary

Total Project Budget Spent:	\$3,318,308
CETF Grant Amount:	\$1,400,000
Match Funds Raised against Goal (\$10,974,694):	\$1,918,308 18%
Cost Per Unit of Outcomes:	\$239

II. Project Description, Goals and Objectives, and Outcomes

Project Description

One Economy Corporation worked for two years in this originally three-year project to bring the benefits of technology through the Bring IT Home California campaign to 99,000 low-income Californians in their homes so they join the economic mainstream. The 21st Century Communities (21CCs) program was developed to ensure that OEC assisted nine communities throughout the state to implement a comprehensive economic development strategy that combined relevant online content (the Beehive), hardware, and youth-led technology training programs, the Digital Connector programs. In the Bring IT Home, California and with support and guidance from CETF, One Economy Corporation was expected to ensure public policy is promulgated and adopted so that all future affordable housing built in California could provide broadband to its tenants.

Goals and Objective Summary missing

**California Emerging Technology Fund
Goals and Objectives Final Report
APPENDIX A
One Economy Corporation**

Grantee: One Economy Corporation
Project: Bring IT Home California
Start Date: 10/01/2007
Prepared By: Alan Greenlee

Grant Agreement Number: 2002254
Name of Primary Contact: Rey Ramsey/Kelley Dunne
Project Year: Final Report
Date Report Submitted: 09/30/10

For each of the following Objectives, the percent that describes its completeness corresponds to a two year program, as CETF ended the partnership with One Economy Corporation for non-performance a year prior to the original Grant Agreement. However, an additional year was provided to OEC to finish connecting 9,000 units that CETF had already paid for.

Project Goals and Objectives	
Goal I: Bring the benefits of high-speed Internet access to low-income Californians	
Goal I, Objective A: Smart Housing Initiative	
1. Ensure public policy is promulgated and adopted so that all future affordable housing built in California can provide broadband to its tenants.	25% <ul style="list-style-type: none"> • Reviewed relevant state policies • Provided Broadband Task Force with policy recommendations • Developed and composed policy recommendations. • Coordinated three affordable housing developer workshops. • Conducted a briefing with state legislators' staff. • Developed Smart Housing steering Committee and met once with members.
Goal I, Objective B: Develop and Implement the Broadband@Home Program	
1. Provide broadband access to 30,000 affordable housing units in 3 years (15,000 units in 2 years).	30% 8,871 affordable housing units were connected to high speed Internet in 3 years. In addition, but not counting towards this goal, 477 AT&T DSL lines were distributed to low-income households.
2. Make affordable home computer options available to 99,000 individuals.	.3% Did not develop a Computer Purchase Program to offer access to affordable computers to ensure technology adoption. Reached approximately 350 21CC residents with information on computer options through community computer fairs.
3. Provide technical assistance to housing developers.	100% OEC provided technical assistance to housing developers when connecting developments to high speed Internet.

Project Goals and Objectives	
Goal II: Ensure that California has technology ecosystems permanently in place so that the full potential of technology is realized for disadvantaged Californians.	
Goal II, Objective A: Develop and implement 21 st Century Communities throughout the State	
Designate nine communities in three years (6 communities in 2 years) to become 21CCs.	30% Conducted outreach efforts to identify 21CC candidates. OEC, CETF, and AT&T selected seven 21CCs: San Francisco Mission, Los Angeles Vernon Central, East Oakland Lion Creek Crossings, San Ysidro, Cutler-Orosi, Riverbank, Westlake/Pico Union. Program began to be implemented in 4 21CCs. Conducted 4 press events to announce 21CCs at Valencia Gardens, Vernon Central, Cutler-Orosi, and Riverbank.
Goal II, Objective B:	
Develop a localized Beehive with relevant online content tailored to the 21CCs selected.	25% Created additional host names for selected 21CCs which were directed to content of national Beehive website. Added a few local resources in some Y1 21CCs. Convened community stakeholders to advise on and manage local content in 3 21CCs.
Conduct education and marketing efforts to ensure use of developed Beehive sites. Target number of unique visitors (UV): 1,656,600 (306,600 people utilizing local Beehives, and 1,350,000 million California users using the national Beehive site). Target number of page views: 2,430,000.	National UV:33% Local UV: 15% Page Views: 8% Unique Visitors: 497,409 — Visitors to 21CC Beehives: 46,282 — California users to national Beehive site: 451,127 Page Views: 191,929
Goal II, Objective C: Connect 21CC residents with high-speed Internet.	
1. Connect a total of 9,000 residents in 3 years (6,000 in 2 years), up to 1,000 residents per 21CC, to high-speed Internet.	12.35% Connected 741 households to high-speed Internet.
Goal II, Objective D: Establish Digital Connector Programs in each 21 st Century Community	

Project Goals and Objectives	
<p>1. Develop and implement community training programs for young people (Digital Connectors) and for new Internet users. A total of 5,000 service learning hours in three years performed by trained youth through the Digital Connectors program.</p> <p>Goal II, Objective E: Provide Technical Assistance to 21CC.</p> <p>1. Develop community development blueprint for 9 21CCs in three years (6 for 2 years).</p>	<p>90%</p> <p>Trained at least one group of Digital Connectors per community, except in San Ysidro. Digital Connectors provided 4,800 hours of Service Learning Hours.</p> <p>80%</p> <p>Completed seven blueprints. Some need to be tailored to the 21CC and presented and discussed with 21CC partners.</p>

Project Outcomes Summary

Outcome Description	Actual	3 Yr Goal	2 Yr Goal	Percent Completed
Number of affordable housing units connected to broadband.	8,871 in 3 yrs	30,000	20,000	30%
Number of adult residents trained on basic Digital Literacy.*	3,996 in 2 yrs	9,000	6,000	44%
Number of Page Views on Beehive	191,929 in 2 years	2,430,000	1,603,800	8%
Select 21 st Century Communities (21CCs).	7	9	6	101%
Implement 21 st Century Communities (21CCs) program.	0	9	6	0%

* This outcome was not originally part of the Grant Agreement but CETF and OEC agreed to measure the number of adults being trained by program.

III. Accomplishments and Challenges

Summary of Accomplishments and Impacts of Project

Assessment of Outcomes Achieved in Comparison to Grant Agreement

OEC connected 8,871 affordable housing units to high speed Internet in 3 years through the Broadband@Home Program. In addition, 741 units were connected through the 21CCs Program and 477 AT&T DSL lines were distributed to low-income households. While this outcome is well short of the original proposed deliverable (30,000 units connected in 3 years for Broadband@Home and up to additional 9,000 units for the 21CC program), OEC is proud of the accomplishment. Readjusting for the 2-year duration of the program the target number of the 21CC Program was 6 communities. OEC, in coordination with AT&T and CETF, selected and started program implementation in 7 communities. The compelling idea of young people developing technology and leadership skills and training residents inspired some of the local communities to raise funds for the Digital Connectors program, which was a major contributor to the training of almost 4,000 individuals.

Delineation of Deliverables and Outcomes Not Achieved and Explanation

OEC did not meet the grant goals in a number of areas. Explanations are outlined below under Major Objectives. The areas where the organization was not able to achieve program outcomes include public policy, number of units connected to broadband for the Broadband@Home, 21CC program, computer options for community members, and Beehive traffic.

Discussion of Other Positive Results from Project

Since the beginning of the partnership with CETF, OEC has made remarkable strides in its efforts to close the Digital Divide in California. Over the last three years, OEC has reinforced its leadership in the field of digital inclusion by creating a presence throughout the state.

The Digital Connectors program has flourished and expanded, moving into new geographic areas and receiving much praise. Eden Housing has recently requested delivery of 21 programs at its California sites. One comment from a Los Angeles Digital Connector serves as testimony:

“I didn’t know anything about finances and money before becoming a Connector. I never would have passed high school economics without the Digital Connectors program!”

Online resources and information about diabetes, obesity, banking, taxes and other pertinent topics have expanded and become increasingly popular. The Access program continues to flourish, particularly with a recent award from the U.S. Department of Commerce and increasing support from corporate partners. OEC is proud of the accomplishments made towards bringing valuable resources to underserved communities

throughout California. The organization is also grateful to CETF for their role in the accomplishments made over the last three years and remains committed to working with housing developers and community partners across the state.

Overview of Major Challenges to Achieving Planned Results

While OEC worked diligently towards meeting all the deliverables delineated in the original Grant Agreement, the work fell short in some program areas. OEC firmly believes that these shortcomings are indicative of neither poor performance nor a lack of effort. Rather, results were not as high as projected due to a combination of challenges, including: (1) The poor economic climate in which programs were being operated; (2) Unrealistic expectations set forth in the grant proposal and Grant Agreement; (3) Collaborative challenges associated with CETF partnership; (4) Increased workload; and (5) A burdensome and inaccurate reporting process.

Identify Major Challenges to Successful Implementation

OEC faced the following major challenges during the grant period:

Poor economic climate: From the start of the program, the work was greatly affected by the State's economic downturn, especially because OEC's Access Services strategy is based on work with affordable housing developers. The State's affordable housing program effectively shut down in late 2008 and reduced its funding for affordable housing by 75% in 2009 compared to the prior year. Additionally, budget cuts across all sectors of the non-profit community greatly impacted the ability of OEC to develop relationships with new partners, particularly since many of them were struggling to keep their doors open. Philanthropic organizations universally reduced their giving, which made it difficult for key organizations to add new activities to their program offerings.

Unrealistic goals: OEC set a number of overly ambitious goals in the original grant proposal to CETF. Underestimation of the complexities of large-scale growth and overconfidence in certain products and opportunities caused the organization to overestimate certain deliverables. Once programmatic activities began, it became clear to OEC staff that, even under ideal economic conditions, many of the goals set in the Grant Agreement would be impossible to reach. Specifically, outcomes associated with the 21CC Program were problematic because the goals were set before the communities were even selected. For example, the target number of 1,000 affordable housing units to be connected in a 21CC outnumbers the entire stock of affordable housing in more than one location. Furthermore, the goal for online visitors to local Beehives was based on data averages from entire cities, while the 21CC Program operated in small communities. Original targets remained the same, even in cases where a local Beehive was developed for a neighborhood of a larger city that also had its own Beehive. This was especially detrimental in Los Angeles, where the target population was subdivided into Vernon Central and Westlake/Pico-Union. Furthermore, OEC's work in the policy sphere did not meet the ambitious deadlines laid out in the Grant, primarily due to the slower than expected pace of policy change and implementation. In the original Grant Agreement, securing an Executive Order was predicted to take fewer than three quarters. In reality, such endeavors were much more prolonged.

Collaborative Challenge: Despite many obstacles, OEC continued its commitment to meeting its goals. Appropriate collaboration from CETF would have enabled OEC either to set reasonable goals from the onset or to re-evaluate goals based on program realities. On numerous occasions OEC staff received inadequate grants management and advice, particularly in the areas of affordable housing finance and development, public policy, and access deployment, all key components of OEC program. Lack of technology expertise (and therefore of helpful consulting) from CETF staff became clear when our Investment Officer, in December of 2009 (more than two years into the project), asked whether or not OEC uses residential DSL lines to connect individual residences to the Internet, a point that OEC has made clear from the very beginning of the grant. Overall, OEC staff received more micromanagement than substantive advice and strategy, to the detriment of program implementation and delivery. Unfortunately, the lack of useful collaboration caused OEC to be misrepresented to CETF executives.

Increased workload: Work towards grant deliverables was further hampered by a CETF policy in which work OEC had already completed would be discounted at the same time that further responsibilities were added to the workload. For example, significant investment by OEC, which included the institutional resource

commitments of multiple staff persons in Los Angeles and North Carolina, along with significant relationship building and marketing efforts towards the residential DSL program, was not credited towards the grant goals when residential lines were provided to other CETF grantees with access deliverables. Rather, CETF insisted that the time and efforts in these areas go uncounted. OEC staffed programs according to the Grant Agreement and beyond in Access Services, despite funding cuts to the Broadband@Home program. In a difficult economic environment and with a reduced budget, OEC still invested additional resources to hire extra staff members because we were committed to reaching Grant deliverables. Furthermore, as mentioned above, the workload of OEC staff grew significantly as extra responsibilities were added to programs on a quarterly basis. Activities such as press events, resident training, and workshops not explicitly stated in the original Grant Agreement consumed significant staff time and resources.

Burdensome and Inaccurate Reporting: While the additional responsibilities added to workload diverted the attention of OEC from the original goals, no responsibility was a bigger drain on staff time and energy than the reporting process implemented by CETF. Every document, from Quarterly Progress Reports and Work Plans to Annual Reports and Budgets, had to be submitted multiple times over the course of several weeks to several months. The required detail to complete or correct documents occupied multiple staff members for days or weeks. The drawn out process to finalize and receive approval for any document also meant that OEC staff effectively operated without an approved Work Plan for months at a time (OEC recognizes it had submitted Work Plans 3-6 months after the due date, though). While One Economy worked on all of its deliverables, many of them required long-term strategic planning, relationship building, and continually progressive work. Furthermore, the format of the Quarterly Progress Report precluded accurate reporting on the progress OEC had made towards reaching long-term goals. This became extremely apparent in the Access Services program. The amount of time necessary to move a project along all the necessary steps—from initial site visits and proposal submission to signed contracts, requests for labor, and actual installation of the network—frequently took well over a year. As a result, a single quarterly report may have shown no connections, when in fact groundwork had been laid for hundreds or thousands of connected units. One example can be found in Year 3 Quarter 1 within the 21CC Program. In this case, Lion Creek Crossings was counted as “connected” during that quarter, when negotiations for that project had begun before the inception of the CETF grant.

Discuss Efforts to Address Challenges and Resolve Problems

Despite numerous challenges and the termination of funding from CETF, OEC remains proud of the accomplishments made over the past three years. OEC is especially pleased by the tremendous growth the organization has experienced in 2009. Despite the economic downturn and related dramatic drop in affordable housing units funded by TCAC, OEC connected three times as many units in 2009 as in 2008. Numerous efforts were made to improve communications with CETF staff and to suggest different methods of reporting. While OEC is disappointed for not reaching all the Grant goals, the organization feels that the results would have been significantly improved with more time and better communications with, and management from, CETF.

IV. Lessons and Recommendations

Summary of Lessons Learned

Lesson #1: OEC has learned not to overestimate and overpromise on deliverables. As detailed above, many of the projected numbers proposed by OEC proved unrealistic when the organization started the programs.

Lesson #2: OEC will allow more time when dealing with State and Federal bureaucracies, recognizing that policy work requires appropriate contacts, relationship building and a great deal of patience and persistence.

Lesson #3: OEC will budget for more staff when necessary.

Recommendations

Recommendations for Expanding the Project in Region or Scaling Up Statewide

Recommendation #1: OEC will continue to provide access, resources and training to low-income populations throughout California and across the United States. A significant grant from the U.S. Department of Commerce under the Broadband Opportunity Program (BTOP) is helping OEC scale work in many geographic areas. OEC remains committed to the 21CCs and will continue to seek funding (monetary and in-kind) from a wide variety of government, corporate and private foundation sources and community partnerships in order to sustain those programs and others not supported by the BTOP grant.

Recommendation #2: OEC will continue its programmatic activities in all seven 21CCs with a focus on connecting 30,000 low-income households to the Internet, increasing Beehive traffic, pursuing public policy goals, and expanding the Digital Connectors program.

Recommendations to CETF Regarding Grants Management

Recommendation #1: CETF's reporting system was the most complex OEC staff has ever seen, including that of the federal government. Quarterly reports were excessively detailed and burdensome. Templates and reporting requirements were changed mid-stream (as evidenced by this new Final Report template sent to us after we had already completed a Report in the former template). OEC strongly recommends that CETF simplify its reporting procedure and templates.

Recommendation #2: CETF should assure that its grant managers are thoroughly educated in the areas of management, budgeting, and program focus. These managers should be open to necessary program goal and budget adjustments, particularly over the life of a long-term project.

Recommendation #3: CETF could be more helpful in sharing contacts, particularly in the government sector.

Recommendation #4: CETF could improve its program advice in the area of goals, objectives, and outcomes. This would be extremely helpful before a Grant Agreement is reached.

V. Grant Agreement Requirements

Purchased Equipment

N/A

CETF of Grant Funds

All of the CETF grants funds were expended.



**California Emerging Technology Fund
Management Response to Final Reports
One Economy Corporation
Bring IT Home California
Grant Award # 2002254**

Major Challenges

- The California Emerging Technology Fund (CETF) agrees the poor economic climate had a negative effect on affordable housing developers connecting their properties to broadband. CETF also agrees One Economy Corporation (OEC) set goals that were very ambitious. The OEC California team was not ready to take the responsibility of achieving the agreed outcomes and deliverables.
- OEC stated in the Final Report that the outcomes related to the Beehive visits and broadband connections could not be achieved in the 21st Century Communities (21CC) Program because they were developed before the communities were selected and the communities selected were not adequate. OEC staff was the one that researched, identified, and presented to CETF and AT&T the candidate communities that would have technology gaps in order to develop a technology ecosystem with localized content, access to affordable computers, training, and connectivity to broadband. CETF and AT&T chose the most suitable communities among the ones presented by OEC to participate in the 21CC Program. However, OEC only connected 12.35% of the units and 8%, 15%, and 33% of the outcomes related to page views, local unique visitors, and national visitors respectively.
- OEC did not meet the Smart Housing Initiative outcomes either. In part this was due to an overall instability in the housing market. It was also due to the fact the OEC leadership team did not appear to be fully committed and engaged towards conducting the necessary activities to achieve the deliverables. CETF staff advised OEC to use match funds to hire a staff member to conduct the Smart Housing Initiative work if the existing staff members were not able to do so but OEC declined.
- OEC expressed CETF staff, and especially their CETF Investment Officer, did not provide the organization with helpful advice, guidance, and support. CETF staff dedicated an extraordinary amount of time and resources to this partnership. CETF Investment Officer spent at least 30% of her time working with OEC, reviewing and editing numerous versions of program documents, providing advice, and assisting the organization with the coordination of all special events and workshops. CETF Investment Officer agrees she had to “micro-manage” OEC staff. This was due to the fact reports were consistently inaccurate and the implementation and delivery of the program were often not performed appropriately or in a timely manner.
- OEC commented that one of the biggest challenges was the reporting process. OEC had difficulties submitting correct reports, Budgets, and Work Plans. It seemed OEC did not have an accurate accounting system and reported approximate numbers that would change over time. Investment Officer does not have a single document that was submitted by OEC with the correct facts the first time. In addition, documents were usually late. OEC submitted their Work Plan for the second and third years of the program 6 months and 3 months after the deadline respectively.

Recommendations

- OEC recommended “CETF should assure that its grant managers are thoroughly educated in the areas of management, budgeting, and program focus...” This recommendation is not in alignment with the fact that CETF Investment Officer had to dedicate a great deal of time to make sure OEC Team understood and embraced the focus and goals of the program and continually had to provide support and assistance besides correcting the incomplete and inaccurate reports, Work Plans, and Budgets submitted by OEC.

Prepared By: Raquel Cinat

Date: March 3, 2012