Universal Service Administrative Co.

Schools and Libraries Committee

Briefing Book

Monday, July 29, 2019

10:00 a.m. - 12:00 p.m. Eastern Time

Universal Service Administrative Company Offices

700 12th Street, NW, Suite 900

Washington, DC, 20005

Universal Service Administrative Company
Schools & Libraries Committee Quarterly Meeting
Agenda

Monday July 29, 2019
Monday July 29, 2019 **10:00 a.m. – 12:00 p.m. Eastern Time** **USAC Offices** **700 12th Street, N.W., Suite 900** **Washington, D.C. 20005**

	OPEN SESSION		*Estimated Duration in Minutes*
Chair	**a1.**	Consent Items (each available for discussion upon request): A. Approval of Schools and Libraries Committee Meeting Minutes of April 29 2019 B. Approval of moving all *Executive Session* items into *Executive Session*	5
Catriona	**a2.**	Approval of Schools and Libraries Support Mechanism 4th Quarter 2019 Programmatic Budget and Demand Projection for the August 2, 2019 FCC Filing	15
Chris Smith	**i1.**	Information on Nine USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports	5
Catriona	**i2.**	Schools & Libraries Support Mechanism Business Update • Broadband Requests by Fund Year • Fiber Application Update • 2019 Applicant and Service Provider Training • Business Processing Operations Vendor Activities • Program at a Glance • Q2 2019 Summary (*For Information Only*)	45

	EXECUTIVE SESSION **Confidential – *Executive Session Recommended***		*Estimated Duration in Minutes*
Catriona	**i2.**	Schools & Libraries Support Mechanism Business Update *(continued)*	30
Chris Smith	**i3.**	Information on One USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports	5

12:00	Board of Directors – Website Demonstration and (Lunch)	60

Next Scheduled USAC Schools & Libraries Committee Meeting

Monday, October 28, 2019 **10:00 a.m. – 12:00 p.m. Eastern Time** **USAC Offices, Washington, D.C.**

1 of 1

Universal Service Administrative Company
Schools & Libraries Committee Meeting

ACTION ITEM

Consent Items

Action Requested

The Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the consent items listed below.

Discussion

The Committee is requested to approve the following items using the consent resolution below:

A. Approval of Committee meeting minutes of April 29, 2019 (*see* **Attachment A-1**).

B. Approval of moving all *Executive Session* items into *Executive Session*:

(1) **i2** – Schools & Libraries Support Mechanism Business Update (*Continued, if needed)*. USAC management recommends that discussion of this item be conducted in *Executive Session* because it relates to USAC's *internal rules and procedures* concerning the administration of the universal service support mechanisms where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

(2) **i3 –** Information on One USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports. USAC management recommends that discussion of this item be conducted in *Executive Session* because it relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.

Upon request of a Committee member, any one or more of the above items are available for discussion by the Committee.

Recommended USAC Schools & Libraries Committee Action

APPROVAL OF THE FOLLOWING RESOLUTION:

> **RESOLVED**, that the USAC Schools & Libraries Committee hereby approves: (1) the Committee meeting minutes of April 29, 2019; and (2) discussion in *Executive Session* of the items noted above.

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

SCHOOLS & LIBRARIES COMMITTEE MEETING
Monday, April 29, 2019

(DRAFT) MINUTES[1]

The quarterly meeting of the Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, April 29, 2019. Dr. Dan Domenech, Committee Chair, called the meeting to order at 10:14 a.m. Eastern Time, with a quorum of eight of the nine Committee members present:

Bocher, Bob	Mason, Ken
Buzacott, Alan	Schell, Julie Tritt – Vice Chair
Choroser, Beth	Sekar, Radha – Chief Executive Officer
Domenech, Dr. Dan – Chair	Wade, Dr. Joan

Mr. Brent Fontana join the meeting by telephone at 10:25 a.m. Eastern Time. He did not participate in the discussion or vote on item a1.

Other Board members and officers of the corporation present:

Ayer, Catriona – Vice President of Schools and Libraries
Davis, Craig – Vice President of Procurement and Sourcing Strategy
Beckford, Ernesto – Vice President, General Counsel, and Assistant Secretary
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management
Delmar, Teleshia – Vice President of Audit and Assurance
Freeman, Sarah – Member of the Board
Garber, Michelle – Vice President of Lifeline
Gillan, Joe – Member of the Board
Kinser, Cynthia – Member of the Board
Lubin, Joel – Member of the Board
Salvator, Charles – Vice President of Finance, Chief Financial Officer, and Assistant
    Treasurer
Sweeney, Mark – Vice President of Rural Health Care

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[1] Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Wein, Olivia – Member of the Board
Tinic, Atilla – Member of the Board

Others present:

NAME	COMPANY
Barrett, Henry	USAC
Beaver, Tracey	USAC
Bethel, Tameca	USAC
Boden, Jerry	USAC
Bonuccelli, Marge	Maximus
Braxton – Johnson, Kianna	USAC
Butler, Stephen	USAC
Carpenter, Nikki-Blair	USAC
Daniels, Joel	USAC
Frelow, Leslie	USAC
Holloway, Chanelle	USAC
Hudson, Bo	USAC
Hughet, Pamela	USAC
Hutchinson, Kyle	USAC
Kaplan, Peter	Funds for Learning
King, Lauren	USAC
Kriete, Debra	South Dakota Department of Education
Lawson, Suzanne	USAC
Little, Chris	USAC
Luton, Smith	Avitecture
Lutz, Cory	USAC
Lutz, Kevin	USAC
Nesbit, Thomas	USAC
Nuzzo, Patsy	USAC
Rovetto, Ed	USAC
Slaughter, Lisa	Maximus
Smith Chris	USAC
Stankus, Paul	CSM
Tiwari Tanya	USAC
Willis, Catherine	USAC

OPEN SESSION

All materials from Open Session can be found on the USAC website.

a1.   **Consent Items.** Dr. Domenech presented this item for consideration.

A. Approval of Schools and Libraries Committee Minutes of January 28, 2019.

B. Approval of Moving all *Executive Session* Items into *Executive Session*:

    (1) **i2** – Schools & Libraries Support Mechanism Business Update (*Continued*). USAC management recommends that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *internal rules and procedures* concerning the administration of the universal service support mechanisms where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity. In addition, this matter relates to USAC's *procurement strategy and contract administration*.

    (2) **a3** – Consideration of Increased Contract Value for Consulting Services to Support Schools and Libraries Project Management Office. USAC management recommends that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

    (3) **a4** – Consideration of One Year Contract Option for E-rate Productivity Center Systems Integrator Services. USAC management recommends that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolutions:

        RESOLVED, that the USAC Schools & Libraries Committee hereby approves: (1) the Committee meeting minutes of January 28, 2019; and (2) discussion in *Executive Session* of the items noted above.

a2. **Approval of Schools and Libraries Support Mechanism 3rd Quarter 2019 Programmatic Budget and Demand Projection for the May 2, 2019 FCC Filing.** Ms. Ayer presented this item for consideration. The presentation included a written report on USAC management's recommendations for the Schools and Libraries Support Mechanism 3rd Quarter 2019 programmatic budget and demand projection for the May 2, 2019 FCC filing. Ms. Sekar noted that the projections included a line item for denials and cancellations of funding requests this year, and indicated that USAC would get back to the Board on how this was handled historically.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolutions:

> **RESOLVED,** that the USAC Schools and Libraries Committee approves a 3rd Quarter 2019 Schools and Libraries Support Mechanism direct program budget of $13.67 million; and

> **RESOLVED FURTHER**, that the USAC Schools and Libraries Committee directs USAC staff to submit a collection requirement of $13.67 million for Schools and Libraries Support Mechanism administrative costs in the required May 2, 2019 filing to the FCC on behalf of the Committee; and

> **RESOLVED FURTHER,** that the USAC Schools and Libraries Committee, having reviewed at its meeting on April 29, 2019 a summary of the 3rd Quarter 2019 Schools and Libraries Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required May 2, 2019 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Schools and Libraries Support Mechanism is equal to or less than $10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than $10 million, but not more than $15 million.

i1. **Information on Six USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** The Committee received a report with information on six USAC Audit and Assurance Division Schools and Libraries Support Mechanism beneficiary audit reports. The reports were provided for informational purposes; no discussion was held on this item.

i2. **Schools & Libraries Support Mechanism Business Update.** Ms. Ayer presented PowerPoint slides covering the following:
1. Overview of Schools and Libraries activities for 2019
2. Discussion Topics:
    a. FY 2019 Window Overview
    b. FY 2019 Wave 1 Results

Ms. Sekar noted that the first FY2019 wave exceeded FY2018 by 20% and exceeded the stretch goal set by the FCC. Dr. Wade commented that she was receiving positive feedback from schools.

At 11:07 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items listed above.

EXECUTIVE SESSION

i2. **Schools & Libraries Support Mechanism Business Update** *(Continued).* Ms. Ayer continued with discussion topics that included the following:
1. Stakeholder Requested Enhancements
2. 2019 IT Roadmap and Enhancements
3. BPO Update

a3. **Consideration of Increased Contract Value for Consulting Services to Support Schools and Libraries Project Management Office.** Mr. Davis presented this item to the Committee for consideration. The presentation included a summary slide and written report with information on USAC management's proposed increase of the contract value for consulting services to support the Schools and Libraries Project Management Office.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolution:

> **RESOLVED**, that the USAC Schools & Libraries Committee, having reviewed the recommendation of USAC management, hereby authorizes management, subject to required FCC approval, to amend the time & materials contract with Deloitte Consulting, LLP for Schools and Libraries PMO and BPO change management services to increase the contract's not-to-exceed amount of $3.22 million by $1.5 million, for a total not-to-exceed amount of $4.72 million (plus applicable taxes).

a4. **Consideration of a One Year Contract Option for E-rate Productivity Center Systems Integrator Services.** Mr. Davis presented this item to the Committee for consideration. The presentation included a summary slide and written report detailing USAC management's recommendations for consideration of a one year contract option for systems development and technical services supporting the E-rate Productivity Center.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolution:

> **RESOLVED**, that the Schools & Libraries Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise a one-year option for the IDIQ task order-based contract with Incentive Technology Group, LLC (ITG) for systems development and technical services supporting the E-rate Productivity Center (EPC) for a total not to exceed amount of $8.7 million, subject to required FCC approvals.

OPEN SESSION

At 11:51 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time

Dr. Domenech reported that in *Executive Session*, the Committee took action on items a3 and a4 and discussed item i2.

On a motion duly made and seconded, the Committee adjourned at 11:52 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

Universal Service Administrative Company
Schools and Libraries Committee Meeting

ACTION ITEM

Approval of Schools and Libraries Support Mechanism
4th Quarter 2019 Programmatic Budget and
Demand Projection for the August 2, 2019 FCC Filing

Action Requested:

The Schools and Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the 4th Quarter 2019 (4Q2019) programmatic budget and demand projection for the Schools and Libraries Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's August 2, 2019 quarterly filing.

Discussion:

On a quarterly basis, USAC is required to submit to the FCC each program's budget[1] and projected demand for the upcoming quarter.[2]

Funding Requirement

USAC estimates the 4Q2019 funding requirement for the Schools and Libraries Support Mechanism as follows:

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[1] *See* 47 C.F.R. § 54.715(c).
[2] *See* 47 C.F.R. § 54.709(a)(3).

Table A. Program Funding Requirement

(in millions)	3Q2019	Increase/ (Decrease)	4Q2019	Notes
Steady State:				
Program Funding Requirement	$399.15	$0.00	$399.15	See Note 1 and Table B
New Requirements:				
N/A	0.00	0.00	0.00	
Total Program Funding Requirement	**$399.15**	**$0.00**	**$399.15**	
Prior Period Adjustments (difference between projections and actuals):				
Billings	0.93	1.78	2.71	
Interest Income	(0.12)	0.39	0.27	
Bad Debt Expense	(4.89)	0.09	(4.80)	
Total Prior Period Adjustments	***$(4.08)***	***$2.26***	***$(1.82)***	
USAC Administrative Expenses	26.08	(1.13)	24.95	See Table C
Interest Income	(0.36)	0.36	0.00	
Total Funding Requirement	**$420.79**	**$1.49**	**$422.28**	

Note 1: The Program Funding Requirement represents one quarter of the total collection requirement for Funding Year 2019 of $1,596.61 million. See Table B below for additional detail.

Table B. Funding Year 2019 Program Funding Requirement and Roll Forward

(in millions)	**Fund Year 2019**
Estimated Demand	**$2,596.61**
Less Roll Forward	
Available Funds from Prior Fund Year	$2,830.05
Disbursements	(2,112.24)
Reserved Funds, Net Change	
a. Pending Applications to Process	(103.99)
b. Unliquidated Obligations (ULOs)	521.28
c. Appeals Reserve - USAC Appeals	(19.95)
d. Appeals Reserve - FCC Appeals	(21.92)
e. Unpaid Invoices	(93.23)
Total Roll Forward	**$1,000.00**
Funding Year 2019 Collection Requirement	**$1,596.61**

The 4Q2019 Schools and Libraries Support Mechanism programmatic budget of $24.95 million represents approximately 25% of the 2019 annual Schools and Libraries Support Mechanism programmatic budget of $101.54 million.

Table C. 4Q2019 Quarterly Programmatic Budget

(in millions)	**4Q2019 Budget**	**Notes**
Direct Program Costs		
Employee Expenses	$1.81	
Professional Services	6.39	
General & Administrative	0.00	See Note 2
Total Direct Program Costs	**$8.20**	
Direct Assigned Costs		
Employee Expenses	$1.07	
Professional Services	3.55	
General & Administrative	0.55	See Note 2
Total Direct Assigned Costs	**$5.17**	
Total Direct Program & Direct Assigned Costs	**$13.37**	
Common Allocated Costs	**$11.58**	
Total Programmatic Budget	**$24.95**	

Note 2: General & Administrative expenses include computer support & maintenance and meetings & conferences.

A comparison of actual expenditures to the budget for the six months ending June 30, 2019 is provided in **Attachment 1.**

Recommendation:

USAC management recommends that the Committee approve the 4Q2019 budget and projection of demand as proposed.

Recommended Schools and Libraries Committee Actions:

APPROVAL OF THE FOLLOWING RESOLUTIONS:

      RESOLVED, that the USAC Schools and Libraries Committee approves a 4th Quarter 2019 Schools and Libraries Support Mechanism direct program budget of $13.37 million; and

      RESOLVED FURTHER, that the USAC Schools and Libraries Committee directs USAC staff to submit a collection requirement of $13.37 million for Schools and Libraries Support Mechanism administrative costs in the required August 2, 2019 filing to the FCC on behalf of the Committee; and

      RESOLVED FURTHER, that the USAC Schools and Libraries Committee, having reviewed at its meeting on July 29, 2019 the 4th Quarter 2019 Schools and Libraries Support Mechanism demand estimate of $422.28 million, hereby directs USAC staff to proceed with the required August 2, 2019 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the

Schools and Libraries Support Mechanism is equal to or less than $10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than $10 million, but not more than $15 million.

ATTACHMENT 1

Schools and Libraries Administrative Costs and Headcount
Comparison of Actual Expenditures and Headcount to the Budget for the
Six Months Ending June 30, 2019

($ in millions)	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	46	48	2	$3.27	$3.54	$0.27
Professional Services (Note 3)				12.69	12.78	0.09
General & Administrative (Note 4)				0.00	0.01	0.01
Total Direct Program Costs				**$15.96**	**$16.33**	**$0.37**
Direct Assigned Costs						
Employee Expenses	19	25	6	$1.74	$2.11	$0.37
Professional Services (Note 3)				5.35	8.55	3.20
General & Administrative (Note 4)				0.99	1.06	0.07
Total Direct Assigned Costs				**$8.08**	**$11.72**	**$3.64**
Total Direct Program & Direct Assigned Costs	**65**	**73**	**8**	**$24.04**	**$28.05**	**$4.01**
Common Allocated Costs (Note 5)				**$18.80**	**$22.46**	**$3.66**
Total Programmatic Budget				**$42.84**	**$50.51**	**$7.67**

Note 3: Direct Program Professional Services include Business Process Outsourcing (BPO) and Project Management Office (PMO) contracts. Direct Assigned Professional Services include E-Rate Productivity Center (EPC) operations & maintenance, beneficiary & contributor audit program audits, and IT contract labor.

Note 4: General & Administrative expenses include computer support & maintenance, rent, printing & postage, and meetings & conferences.

Note 5: Common costs include costs not directly attributable to a program and are allocated based on the Cost Allocation Methodology, which allocates costs based 50% on direct program costs in the prior year and 50% on program demand in the prior year.

Schools and Libraries Business Update

Schools and Libraries Committee Meeting

July 29, 2019

Universal Service
Administrative Co.

Agenda: Schools and Libraries

Topic	Description	Purpose	Presenter	Length
Recap	Broadband Requests by Funding Year	Informational	Catriona	5 min
Discussion Topics	- Fiber Application Update - 2019 Service Provider Training - 2019 Applicant Training - Business Processing Operations Vendor Activities	Informational	Catriona	45 min
Schools and Libraries Program at a Glance	Overview of SLD activities for next 12 months	Informational	Catriona	10 min
Appendix A	2019 First Quarter accomplishments, planned activities, and metrics	Informational	-	-
Appendix B	Glossary of Acronyms and Terms	Informational	-	-
Appendix C	1Q2019 FCC Docket Summary	Informational	-	-

Recap: Broadband Requests by Funding Year

Broadband by Funding Year
Note: includes applications processed to date as of 6/23/2019. Broadband is defined as services with a download speed of 100 Mbps or greater.

Funding Year	Original Requested Amount	Current Committed Amount	Total Disbursements
2016	$ 1,792,804,864.68	$ 1,466,608.428.94	$ 1,195,119,635.84
2017	$ 1,949,322,057.32	$ 1,426,487,593.63	$ 1,171,137,687.46
2018	$ 1,890,534,859.16	$ 1,519,314,907.79	$ 602,141,831.11
2019	$ 1,734,144,063.49	$ 741,035,597.53	$ 0.00
Total	$ 7,366,805,844.65	$ 5,153,446,527.89	$ 2,968,399,154.41

Discussion Topic: Fiber Application Update

FY 2019 Fiber applications

- 1027 Fiber applications submitted.

- Total requested: $422 M.

- As of Wave 10,553 applications are committed with 474 applications remaining.

- State Match Provisions expiring 6/30/2019:

  - IL, KS, NV, and VA

  - Applications committed except where we are waiting on the applicant to respond to USAC inquiries.

  - 44 of the 53 State Match priority applications have been completed and processed through a wave

- Fiber special construction FY2019 requested $ are down by 23% when compared to FY2018

FY 2018 Fiber applications

- 928 Fiber applications committed; 11 remain pending.

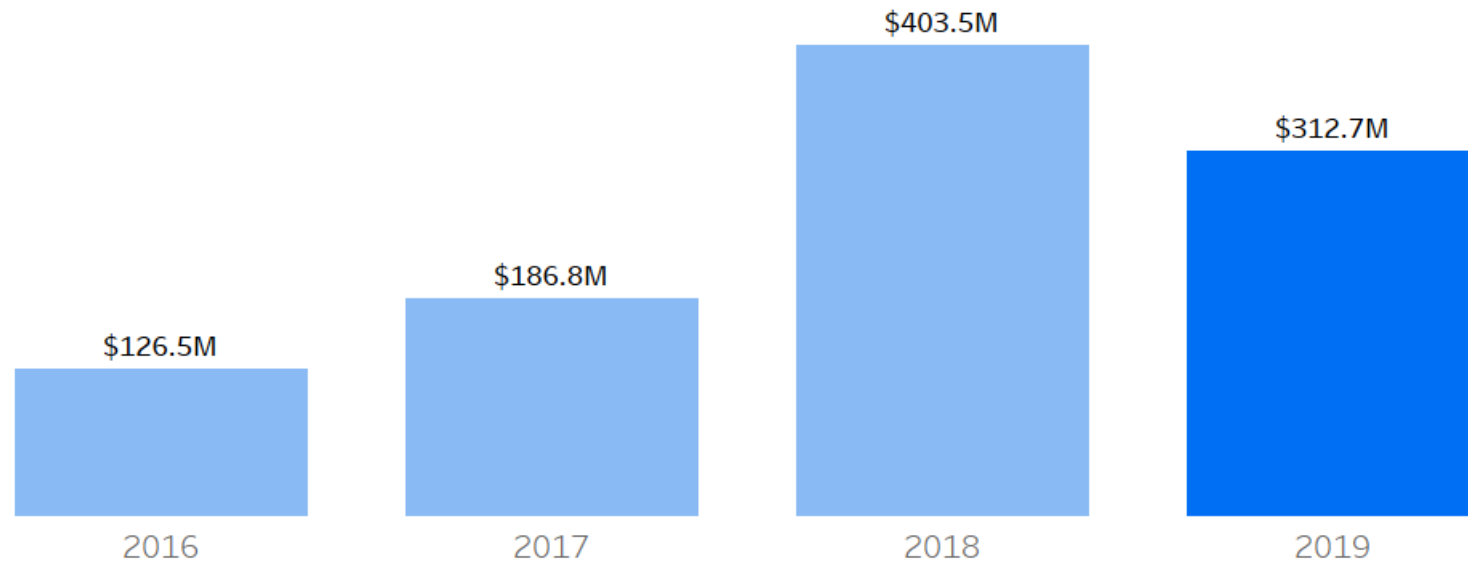### State Match Funds by Funding Year
Note: includes applications processed to date as of 6/23/2019.

Funding Year	Match Amount
2016	$ 2,671,094.15
2017	$ 9,983,931.01
2018	$ 20,343,703.90
2019	$ 27,180,779.60

All figures are as of window close

Special Construction - Original Requested Dollars

Discussion Topic: 2019 Service Provider Training

Location	Dates	Registered	Available Seats
Service Provider – Washington, DC	Aug. 5/6	110	Full
Service Provider – Washington, DC	Aug. 8/9	110	Full*

* Waitlist available

As of July 5, 2019

Service Provider Training

- Understand the Service Provider experience and requirements.

- Optional half day pre-session for beginners.

- Focus on common pitfalls, including common scenarios faced by providers.

- Emphasis on current issues from the field.

- Additional training opportunities available on August 7 for other USF programs.

Discussion Topic: 2019 Applicant Training

Location	Dates	Registered	Available Seats
Applicant – Washington, DC	Sept.16/17	110	Full
Applicant – Washington, DC	Sept.19/20	110	Full*
Applicant – Dallas, TX	Sept. 23/24	129	79
Applicant – Chicago, IL	Oct. 2/3	104	171
Applicant & Tribal – Portland, OR	Oct. 16/17	75	123
Applicant – North Branch, NJ	Oct. 22/23	57	174
Applicant – Santa Rosa, CA	Oct. 31/Nov.1	95	125
Applicant – Atlanta, GA	Nov. 13/14	51	196
Tribal – Tahlequah, OK	Nov. 19	9	46
Tribal – Farmington, NM	Nov. 21	9	79

Waitlist available   *As of July 5, 2019*

Applicant Training:

- Understand the Applicant experience and requirements.
- Optional half day pre-session for beginners.
- Focus on common pitfalls, including common scenarios faced by providers.
- Emphasis on current issues from the field.

Business Processing Operations Vendor Activities

FY2019 FCC Forms 471 Processing (as of June 28, 2019):

- 36,397 Applications Submitted
- 26,858 (73.8%) Applications Committed
- 20,196 (86.9%) Category 1 Applications Committed
- 6,662 (50.6%) Category 2 Applications Committed

Invoice Processing (as of June 28, 2019):

- 169,794 invoice line items processed since January 1, 2019
- 25,755 were processed manually
- 2,867 workable invoice line items aged > 30 day service level agreement

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E-rate Program at a Glance
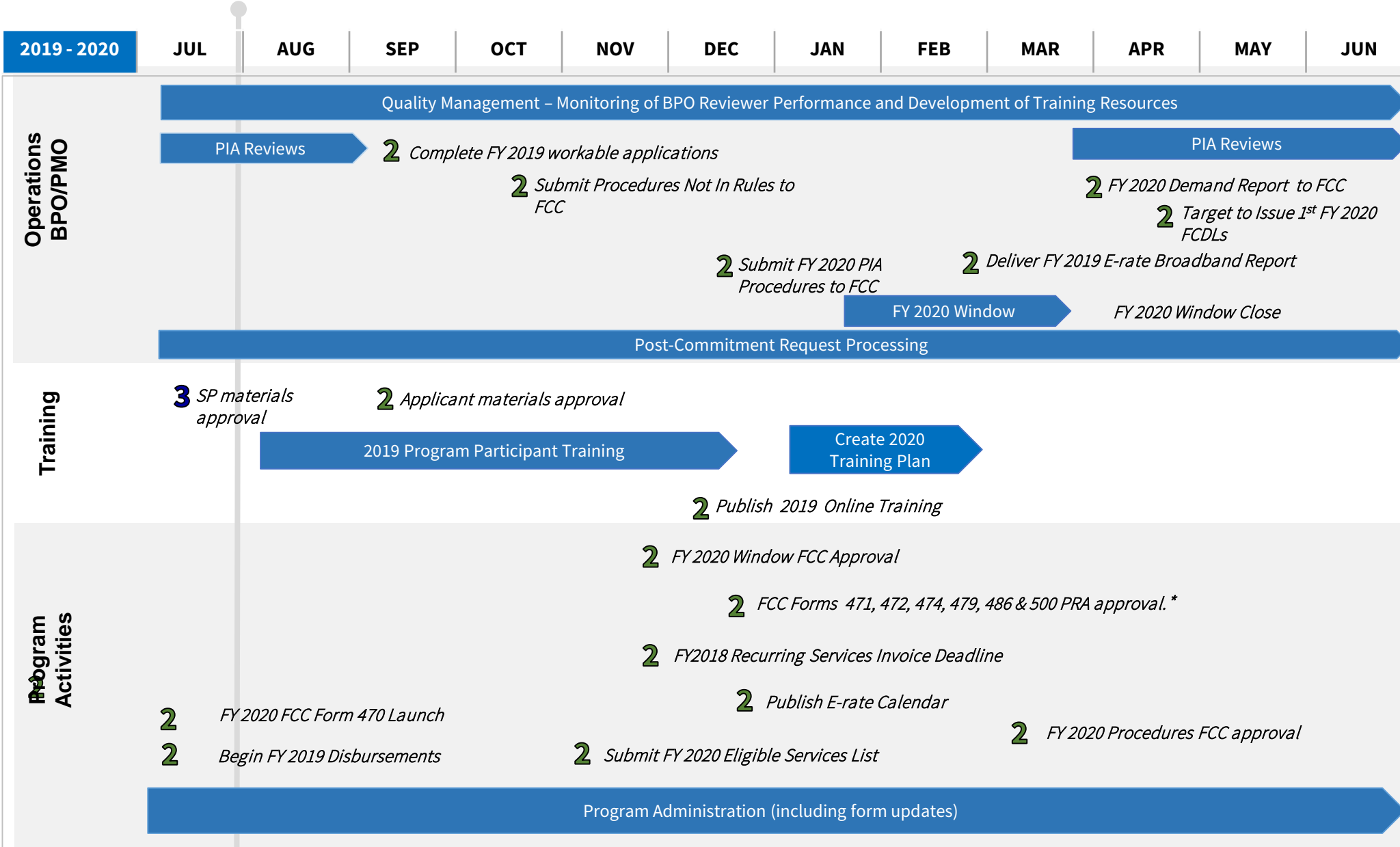
Milestone Legend

3 Completed
2 On Track
1 At Risk

* Subject to FCC Approval

All milestones are on track
Completed Milestones
- SP materials approved
- End-to-End Systems Architecture Assessment

2019 - 2020	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN

Operations BPO/PMO

Quality Management – Monitoring of BPO Reviewer Performance and Development of Training Resources

PIA Reviews

PIA Reviews

2 Complete FY 2019 workable applications

2 Submit Procedures Not In Rules to FCC

2 FY 2020 Demand Report to FCC

2 Target to Issue 1st FY 2020 FCDLs

2 Submit FY 2020 PIA Procedures to FCC

2 Deliver FY 2019 E-rate Broadband Report

FY 2020 Window

FY 2020 Window Close

Post-Commitment Request Processing

Training

3 SP materials approval

2 Applicant materials approval

2019 Program Participant Training

Create 2020 Training Plan

2 Publish 2019 Online Training

Program Activities

2 FY 2020 Window FCC Approval

2 FCC Forms 471, 472, 474, 479, 486 & 500 PRA approval. *****

2 FY2018 Recurring Services Invoice Deadline

2 Publish E-rate Calendar

2 FY 2020 FCC Form 470 Launch

2 FY 2020 Procedures FCC approval

2 Begin FY 2019 Disbursements

2 Submit FY 2020 Eligible Services List

Program Administration (including form updates)

Note: Refer to Attachment A in the Appendix for 2nd Quarter Accomplishments, planned activities, and metrics.

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Appendix B: Glossary of Acronyms

Acronym	Term	Definition
BEAR	FCC FORM 472	The Billed Entity Applicant Reimbursement Form is an FCC form that schools and libraries submit to USAC after paying for services in full, to request reimbursement for the discount on those services.
BEN	BILLED ENTITY NUMBER	A unique number assigned by USAC to each billed entity (school, library, or consortium) that pays for services.
BMIC	BASIC MAINTENANCE OF INTERNAL CONNECTIONS	A Category Two service type on the Eligible Services List. Basic Maintenance of Internal Connections services cover the repair and upkeep of eligible products.
BPO	BUSINESS PROCESS OUTSOURCING	Contracting of the operations and responsibilities of a specific business process to a third-party service provider.
C2 Budget	CATEGORY TWO BUDGET	Starting with FY2015, applicants applying for Category Two services will be limited to a five-year, pre-discount budget for those services.
COMAD	COMMITMENT ADJUSTMENT	The process by which a funding commitment is reduced because of program rule violations.
CSB	CLIENT SERVICE BUREAU	A helpline available to assist applicants and service providers. You can call CSB toll free at (888) 203-8100.
EPC	E-RATE PRODUCTIVITY CENTER	EPC is the account and application management portal for the Schools and Libraries (E-rate) Program. Applicants, consultants, and service providers participating in the E-rate Program use this tool to manage program processes and to submit questions.
FCDL	FUNDING COMMITMENT DECISION LETTER	A letter that contains USAC's funding decisions on an applicant's funding requests.
FISMA	FEDERAL INFORMATION SECURITY MANAGEMENT ACT	The Federal Information Security Management Act (FISMA) is United States legislation that defines a comprehensive framework to protect government information, operations, and assets against natural or man-made threats. FISMA was signed into law as part of the Electronic Government Act of 2002.
FRN	FUNDING REQUEST NUMBER	A unique number that USAC assigns to each funding request in an FCC Form 471.
FY	FUNDING YEAR	Time during which program support is being provided. The FY begins July 1 and ends June 30 of the following calendar year.
IC	INTERNAL CONNECTIONS	A Category Two service type on the Eligible Services List. Internal Connections services are eligible products, such as routers, switches, hubs, and wiring. Eligible products are located at the applicant site and must be considered a necessity to transport information to classrooms or publicly accessible areas of a library.

Appendix B: Glossary of Acronyms

Acronym	Term	Definition
KPI	KEY PERFORMANCE INDICATOR	A Key Performance Indicator is a measurable value that demonstrates how effectively a company is achieving key business objectives. Organizations use KPIs to evaluate their success at reaching targets.
MIBS	MANAGED INTERNAL BROADBAND SERVICES	A category of service on the Eligible Services List. Services provided by a third party for the operation, management, and monitoring of internal connections components. E-rate support is limited to eligible expenses or portions of expenses that directly support and are necessary for the broadband connectivity within schools and libraries.
NIF	NON-INSTRUCTIONAL FACILITY	A school building without classrooms or a library building without public areas. Examples of school NIFs include administrative buildings, bus barns, and cafeteria facilities. Examples of library NIFs include administrative buildings, bookmobile garages, and interlibrary loan facilities.
NSLP	NATIONAL SCHOOL LUNCH PROGRAM	This federal program provides school lunches to eligible students at a free or reduced rate.
PIA	PROGRAM INTEGRITY ASSURANCE	The compliance review process of FCC Forms 471 that must be completed before funding commitments are made by USAC.
PRA	PAPERWORK REDUCTION ACT	Federal law designed to reduce the total amount of paperwork burden the federal government imposes on private businesses and citizens. The Act imposes procedural requirements on agencies that wish to collect information from the public.
RFCDL	REVISED FUNDING COMMITMENT DECISION LETTER	A letter issued by USAC to applicants and service providers when post-commitment changes occur to a funding commitment.
RIDF	RECOVERY OF IMPROPERLY DISBURSED FUNDS	An RIDF is required when there has been a COMAD but funds have already been disbursed in excess of the revised commitment amount.
SLA	SERVICE LEVEL AGREEMENT	Contract between a service provider and the end user (customer) that defines the level of service expected from the service provider.
SPIN	SERVICE PROVIDER IDENTIFICATION NUMBER	A unique number that USAC assigns to each service provider once that service provider has submitted the FCC Form 498 to USAC.
SPI	FCC FORM 474	The Service Provider Invoice Form is an FCC form that service providers submit to request reimbursement for discounted eligible services already provided to the schools or libraries on their customer bills.

Appendix C: FCC Docket Monitoring

Items in the E-rate docket in 2Q2019 – Only those with administrative impact are shown below.

FCC Order/ Mandate	Release Date	Description	Impact to Schools and Libraries
DA 19-326	April 30, 2019	Public Notice - Streamlined Resolution of Requests Related to Actions by USAC. The WCB make decisions on various requests and appeals.	The WCB dismissed as Moot 2 requests, dismissed for Failure to Comply with the Commission's Basic Filing Requirements 1 request, dismissed on reconsideration 1 request, granted 147 requests (127 of which were waivers requests where petitioners filed their FCC Forms 471 within 14 days after the FCC Form 471 filing window deadline, denied 26 appeals, granted in part/denied in part 4 request on various grounds under the streamlined process for resolving requests for review, waiver, or reconsideration of USAC decisions related to E-rate and Contribution matters.
DA 19-420	May 17, 2019	Public Notice - Streamlined Resolution of Requests Related to Actions by USAC. The WCB make decisions on various requests and appeals.	The WCB granted 187 requests (all of which were waiver requests where petitioners filed their FCC Form 471 within 14 days after the FCC Form 471 filing window deadline), denied 37 appeals on various grounds under the streamlined process for resolving requests for review, waiver, or reconsideration of USAC decisions related to E-rate and Contribution matters.
DA 19-493	May 30, 2019	Sought comment on a Petition for Rulemaking to consider amending Part 54 of the Commission Rules, specifically with respect to the Universal Service Fund ("USF") Schools and Libraries Program ("E-Rate") competitive bidding requirements, to include safeguards which would discourage overbuilding of existing federally supported fiber networks.	None – Comments are due July 1, 2019. Reply Comments are due July 16, 2019.
DA 19-357769A	May 31, 2019	2018 Universal Service Monitoring Report - The FCC Bureau of Economics and Analytics released the twenty-first report in a series prepared by federal and state staff members for the Federal-State Joint Board on Universal Service.	None - no change in rules.
DA 19-482	May 31, 2019	Public Notice - Streamlined Resolution of Requests Related to Actions by USAC The WCB make decisions on various requests and appeals.	The WCB dismissed as Moot 6 requests, dismissed on reconsideration 2 requests, granted 68 requests (54 of which were waiver requests where petitioners filed their FCC Form 471 within 14 days after the FCC Form 471 filing window deadline), and denied 29 appeals on various grounds under the streamlined process for resolving requests for review, waiver, or reconsideration of USAC decisions related to E-rate and Contribution matters.

Note: Previous orders may have impact on SL's work but have not been listed above

Universal Service Administrative Company
Schools & Libraries Committee Meeting

INFORMATION ITEM

Appendix A

Schools and Libraries Program 2Q2019 Update

SL 2Q2019 Updates & Accomplishments:

Funding Requests and Disbursements

- Continued the PIA review of the FY 2019 FCC Forms 471. As of June 30, over 26,858 applications have been committed for a total of $1.1 billion.
- Committed an additional $180 million for FY 2018. Commitments included many fiber applications for special construction. Total cumulative year to date commitments are $2.18 billion. Disbursed $624 million for FY 2018.

Overall Schools and Libraries Activities

- Received FCC approval of the 2019 Training and Outreach Plan, which addresses in-person and online training, as well as webinars.
- Opened registration for 2019 Service Provider, Applicant, and Tribal in-person training events.
- Substantially completed the Net56 COMAD Project as of 5/14/2019. A small number of COMADs remain, which will require special handling and/or extended research.
- Supported BPO provider's quality review processes; focused on process improvement through the development of job aids in support of PIA and Invoicing processing on areas identified through data analysis of applications returned through the quality assurance efforts.
- Identified scope and assumptions for Dashboard development to allow for tracking and enforcement of contractual service level agreements related to processing operations.
- Kicked off 2019 SL Internal Training Plan efforts for recently on-boarded staff, which will include continued development of training sessions that include a deeper dive into the E-rate processes and understanding of the financial implications of SLD program activities.
- Continued to have an ongoing presence at the Maximus Brownsville location to help identify issues, provide direction and training, and provide programmatic guidance to the supervisors and reviewers.

Planned Activities for the Next Quarter:
- Conduct Service Provider and Applicant Training at USAC offices in Washington, DC and Dallas, Texas.
- Begin issuing FY 2019 disbursements.

2Q2019 Program Metrics

	Metric	Target	Apr	May	June	Variance		Description/mitigation
1A	FY 2018 Funding Commitments ($M)	$2,854	$2,599	$2,600	$2,607	$7	✔	Cumulative dollars requested
1B	FY 2018 Funding Commitments vol.	35,773	35,445	35,452	35,462	10	✔	Cumulative
1C	FY 2018 Funding Disbursements ($M)	$700	$753	$863	$976	$113	✔	Cumulative
2A	FY 2019 Funding Commitments ($M)	$2,856	$597	$868	$1,124	$256	🚩	Cumulative dollars requested
2B	FY 2019 Funding Commitments vol.	35,931	18,515	23,164	26,858	3,694	🚩	Cumulative
2C	FY 2019 Funding Disbursements ($M)		$ -	$ -	$ -	$0	✔	Cumulative
3	Call Center Abandon Rate	3.0%	1.0%	0.5%	0.4%	0%	✔	Includes FY2019 window.
4	Appeals Processing (Avg Days Open)	90	140	179	119	60	🚩	Continue to work aged appeals.

Current year trend month-over-month

Legend

✔ On track

🚩 Action Required

USAC E-rate E-learning Series: Trainee Evaluation Update

Responses to Question: "Overall, did you find this training helpful?"			
	Applicant Training Series[1]	Service Provider Training Series[2]	Total for E-rate E-learning Program
Yes	91.4% (480)	93.8% (150)	92.0% (630)
Yes, but could have been more helpful	6.5% (34)	6.2% (10)	6.4% (44)
No	2.1% (11)	0% (0)	1.6% (11)
Total E-Learning Respondents	525	160	685

Data and percentages based on number of evaluation respondents, not total number of course consumers.

Applicant E-learning Series Trainee Demographics	
Are from Schools or Libraries[3]	57.9%
Are from Service Providers	16.8%
<1 Year E-rate Experience	61.4%
1-4 Years E-rate Experience	20.1%
>4 Years E-rate Experience	18.5%

Service Provider E-learning Series Trainee Demographics	
Are from Service Providers	80.5%
Are from Schools or Libraries	11.3%
<1 Year E-rate Experience	72.3%
1-4 Years E-rate Experience	12.6%
>4 Years E-rate Experience	15.1%

[1] 14-course E-rate Applicant E-learning Series was launched on December 15, 2018; metrics reflect percentage and total number of respondents.

[2] 15-course E-rate Service Provider E-learning Series was launched on February 21, 2019; metrics reflect percentage and total number of respondents.

[3] School, school district, school consortium (including independent, charter, tribal, head start, parochial), or library (including library systems, library consortium).

Data as of July 24, 2019

Valuable Insights in this Evaluation Data

- With over 98% of learners telling USAC that the content is helpful, it is clear that e-learning is as an effective delivery method that is serving program participants' learning needs.

- A high percentage of E-rate learners have less than a year of program experience (61.4% for applicant series and 72.3% for the service provider series); successfully serving this group's learning needs results in reduced frustration, decrease of required support, and setting these participants up for success.

- Members of the applicant and service provider communities are finding each other's training series to be valuable; e.g., almost 17% of evaluation respondents in the applicant series are service providers.

Some of Our Learners' Comments about the USAC E-rate E-learning Series

What are we getting right?

- *I think the flipped classroom approach is a great idea and thoroughly support USAC's continued use of this methodology. I see the greatest benefit coming from the forthcoming Q&A.*

- *Appreciate the closed caption options and the play, pause, and replay. Allows for comprehension of the material.*

- *This would have been VERY helpful when I was new to E-rate programs. Even after five years, I still learned new information.*

How can we improve?

- *Would like to have printouts to follow along and write notes.*

- *If it was more interactive it would have been more effective for me.*

- *Some terms are hard to understand. Additional graphics or illustrations would be helpful.*