Universal Service Administrative Co.

Schools and Libraries Committee

Briefing Book

Monday, October 28, 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

Available for Public Use

Universal Service Administrative Company
Schools & Libraries Committee Quarterly Meeting
Agenda

Monday October 28, 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 July 29, 2019 B. Approval of moving all ***Executive Session*** items into ***Executive Session***	5
Catriona	**a2.**	Approval of Schools and Libraries Support Mechanism 1st Quarter 2020 Programmatic Budget and Demand Projection for the November 1, 2019 FCC Filing	15
Catriona	**a3.**	Consideration of Funding Year 2020 Filing Window Dates	5
Rashonda Ward	**i1.**	Information on Five USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports	5
Catriona	**i2.**	Schools & Libraries Support Mechanism Business Update • Funding Year 2019 Status Update • Post-Commitment Status Update • 2019 Applicant Training • 2019 Service Provider Training • IT Update • E-rate Program at a Glance • Q3 2019 Summary (*For Information Only*)	50

		EXECUTIVE SESSION **Confidential – *Executive Session Recommended***	*Estimated Duration in Minutes*
Craig	**a4.**	Consideration of a One-Year Contract Option for Schools and Libraries Business Process Outsourcing Services (Maximus)	15
Craig	**a5**	Consideration of a One-Year Contract Option for Appian Cloud Services and Software Licenses	15
Rashonda Ward	**i3.**	Information on Four USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports	5

12:00	Board of Directors Lunch	60

Next Scheduled USAC Schools & Libraries Committee Meeting

Monday, January 27, 2020
10:00 a.m. – 12:00 p.m. Eastern Time
USAC Offices, Washington, D.C.

Available for Public Use

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 July 29, 2019 (*see* **Attachment A**).

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

   (1) **a4** – Consideration of a One-Year Contract Option for Schools and Libraries Business Process Outsourcing 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*.
   (2) **a5 –** Consideration of a One-Year Contract Option for Appian Cloud Services and Software Licenses. U 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) **i3 –** Information on Four USAC Audit and Assurance 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 *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.

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

Available for Public Use

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 July 29, 2019; and (2) discussion in *Executive Session* of the items noted above.

Available for Public Use

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

SCHOOLS & LIBRARIES COMMITTEE MEETING
Monday, July 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, July 29, 2019. Dr. Dan Domenech, Committee Chair, called the meeting to order at 10:00 a.m. Eastern Time, with a quorum of all 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
Fontana, Brent	

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
Garber, Michelle – Vice President of Lifeline
Gillan, Joe – Member of the Board
Hutchinson, Kyle – Vice President, Chief Information Officer
Kinser, Cynthia – Member of the Board – *by telephone*
Lubin, Joel – Member of the Board
Salvator, Charles – Vice President, Chief Financial Officer, and Assistant Treasurer
Sweeney, Mark – Vice President of Rural Health Care
Wibberly, Dr. Kathy – Member of the Board

---

[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.

Available for Public Use

Others present:

NAME	COMPANY
Beaver, Tracey	USAC
Bethel, Tameca	USAC
Bonuccelli, Marge	Maximus
Braxton-Johnson, Kianna	USAC
Carpenter, Nikki-Blair	USAC
Daniels, Joel	USAC
Frelow, Leslie	USAC
Haas, Allen	Avitecture
Harrington, John	Funds for Learning
Hudson, Bo	USAC
Hughet, Pamela	USAC
Kaplan, Peter	Funds for Learning
King, Lauren	USAC
Kriete, Debra	South Dakota Department of Education
Lawson, Suzanne	USAC
Lee, Brandon	USAC
Lenard, David	E-Rate Elite
Little, Chris	USAC
Mohammed, Rehana	USAC
Nelbach, Nick	USAC
Nuzzo, Patsy	USAC
Rovetto, Ed	USAC
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 April 29, 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 it relates to
USAC's ***internal rules and procedures*** concerning the

Available for Public Use

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.

On a motion duly made and seconded, and after discussion, the Committee adopted 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.

a2. **Approval of Schools and Libraries Support Mechanism 4th Quarter 2019 Programmatic Budget and Demand Projection for the August 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 4th Quarter 2019 programmatic budget and demand projection for the August 2, 2019 FCC filing.

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 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

Available for Public Use

more than $15 million.

i1. **Information on Nine USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** The Committee received a report with information on nine 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. Recap: Broadband request by Funding Year
    2. Discussion Topics:
        a. Fiber Application Update
        b. 2019 Service Provider Training
        c. 2019 Applicant Training
        d. Business Processing Operations Vendor Activities
    3. E-rate Program at a Glance

At 10:43 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

i3. **Information on One USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** The Committee received a report with information on one USAC Audit and Assurance Division Schools and Libraries Support Mechanism beneficiary audit report. The report was provided for informational purposes; no discussion was held on this item.

OPEN SESSION

At 11:10 a.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 discussed items i2 and i3.

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

/s/ Ernesto Beckford
Assistant Secretary

Available for Public Use

Universal Service Administrative Company
Schools and Libraries Committee Meeting

ACTION ITEM

Approval of Schools and Libraries Support Mechanism
1st Quarter 2020 Programmatic Budget and
Demand Projection for the November 1, 2019 FCC Filing

Action Requested:

The Schools and Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the 1st Quarter 2020 (1Q2020) programmatic budget and demand projection for the Schools and Libraries Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's November 1, 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 1Q2020 funding requirement for the Schools and Libraries Support Mechanism as follows:

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

Available for Public Use

Table A. Program Funding Requirement

(in millions)	4Q2019	Increase/ (Decrease)	1Q2020	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**	**$399.15**	
Prior Period Adjustments (difference between projections and actuals):				
Billings	2.71	(2.13)	0.58	
Interest Income	0.27	(0.29)	(0.02)	
Bad Debt Expense	(4.80)	1.11	(3.69)	
Total Prior Period Adjustments	*$(1.82)*	*$(1.31)*	*$(3.13)*	
USAC Administrative Expenses	24.95	$(4.46)	20.49	See Table C
Total Funding Requirement	**$422.28**	**$(5.77)**	**$416.51**	

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 1Q2020 Schools and Libraries Support Mechanism programmatic budget of $20.49 million represents approximately 25% of the preliminary 2020 annual Schools and Libraries Support Mechanism programmatic budget of $83.61 million.

Available for Public Use

Table C. 1Q2020 Quarterly Programmatic Budget

(in millions)	1Q2020 Budget	Notes
Direct Program Costs		
Employee Expenses	$2.15	
Professional Services	4.48	
General & Administrative	0.00	See Note 2
Total Direct Program Costs	**$6.63**	
Direct Assigned Costs		
Employee Expenses	$0.89	
Professional Services	4.12	
General & Administrative	0.52	See Note 2
Total Direct Assigned Costs	**$5.53**	
Total Direct Program & Direct Assigned Costs	**$12.16**	
Common Allocated Costs	**$8.33**	
Total Programmatic Budget	**$20.49**	

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

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

Recommendation:

USAC management recommends that the Committee approve the 1Q2020 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 1st Quarter 2020 Schools and Libraries Support Mechanism direct program budget of $12.16 million; and

RESOLVED FURTHER, that the USAC Schools and Libraries Committee directs USAC staff to submit a collection requirement of $12.16 million for Schools and Libraries Support Mechanism administrative costs in the required November 1, 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 October 28, 2019 the 1th Quarter 2020 Schools and Libraries Support Mechanism demand estimate of $416.51 million, hereby directs USAC staff to proceed with the required November 1, 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

Available for Public Use

seek approval from the Committee Chair to make adjustments if the total variance is greater than $10 million, but not more than $15 million.

Available for Public Use

ATTACHMENT 1

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

($ in millions)	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	48	48	0	$5.07	$5.35	$0.28
Professional Services (Note 3)				16.42	19.17	2.75
General & Administrative (Note 4)				0.00	0.02	0.02
Total Direct Program Costs				**$21.49**	**$24.54**	**$3.05**
Direct Assigned Costs						
Employee Expenses	19	25	6	$2.64	$3.16	$0.52
Professional Services (Note 3)				8.23	12.35	4.12
General & Administrative (Note 4)				1.51	1.67	0.16
Total Direct Assigned Costs				**$12.38**	**$17.18**	**$4.80**
Total Direct Program & Direct Assigned Costs	**67**	**73**	**6**	**$33.87**	**$41.72**	**$7.85**
Common Allocated Costs (Note 5)				**$27.93**	**$34.87**	**$6.94**
Total Programmatic Budget				**$61.80**	**$76.59**	**$14.79**

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.

Available for Public Use

Universal Service Administrative Company
Schools & Libraries Committee Meeting
ACTION ITEM

Consideration of Funding Year 2020 Filing Window Dates

Action Requested

The Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to authorize USAC to open the Funding Year (FY) 2020 application filing window no earlier than January 2020, and to close the window no earlier than March 2020.

Discussion

A Funding Year 2020 filing window opening no earlier than January 2020 and closing no earlier than March 2020 will provide a reasonable time period for applicants to submit their FCC Form 471 funding applications. The application filing window has typically been open in the first quarter of the calendar year, which strikes a balance between giving applicants time to complete their competitive bidding reviews while providing USAC time to review the applications so that funding decisions can be issued before the school year starts. We used this same timeframe for FY 2019, and were able to issue funding commitments for over 95% of workable applications by September 1, 2019. While many factors played a role in the timely issuance of decisions, a key factor was opening and closing the application filing window in the first quarter of 2019.

Given the pendency of the Category 2 proceeding, USAC is requesting approval to open the FY 2020 application filing window no earlier than January 2020, and to close the window no earlier than March 2020. This timeframe aligns with the Applications Filing Window dates last year and will help USAC to issue timely funding commitments.

Section 54.502 of the Federal Communications Commission's (FCC) rules mandates that the filing window cannot open until sixty (60) days after the release of the Eligible Services List (ESL) by the FCC.[1] The FCC issued a public notice seeking comments on the proposed Funding Year 2020 ESL on August 2, 2019.[2] The FCC had not issued the FY 2020 ESL as of October 22, 2019.

USAC management recommends that the Committee approve the requests discussed in this briefing paper, subject to the requirements of Section 54.502 of the Commission's rules.

---

[1] *See* 47 C.F.R. § 54.502.

[2] *See Wireline Competition Bureau Seeks Comment on Proposed Eligible Services List for the E-rate Program*, WC Docket No. 13-184, Public Notice, DA 19-738 (Aug. 2, 2019).

AVAILABLE FOR PUBLIC USE

Recommended Schools & Libraries Committee Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Schools & Libraries Committee accepts the recommendation of USAC management to open the Funding Year 2020 filing window open no earlier than January 2020 and to close the Funding Year 2020 filing window no earlier than March 2020, subject to the requirements of Section 54.502 of the Commission's rules; and

RESOLVED FURTHER, that upon consultation with the Committee Chair, USAC management is authorized to adjust the Funding Year 2020 filing window opening and closing dates, as circumstances may warrant.

AVAILABLE FOR PUBLIC USE

Schools and Libraries Business Update

Schools and Libraries Committee Meeting

October 28, 2019

Available For Public Use

Agenda: **Schools and Libraries**

Topic	Description	Purpose	Presenter	Length
Discussion Topics	- Funding Year 2019 Status - Post-Commitment Status Update - 2019 Applicant and Service Provider Training Updates - IT Update	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 Third Quarter accomplishments, planned activities, and metrics	Informational	-	-
Appendix B	Glossary of Acronyms and Terms	Informational	-	-
Appendix C	3Q2019 FCC Docket Summary	Informational	-	-

Discussion Topic: FY 2019 Status Update

FY 2019 Applications

- 36,441 applications submitted requesting $2.96 billion in funding

- 34,691 applications committed (97.4%)* for $1.8 billion (71.5% of requested funding)

- 1,750 applications remaining.

*non-workable applications not part of percentage calculation

Data as of 10/3/2019

FY 2019 Fiber Applications

- 1034 Fiber applications submitted requesting $423.2 million in funding

- 921 applications committed for $122.4 million

- 113 applications remaining for $216 million in requested funding

Data as of 10/3/2019

Available For Public Use

Discussion Topic: Post-Commitment Update

Post-Commitment Processing

- BPO vendor fully staffed all post-commitment operations teams with initial, final, and quality assurance review staff:

  - Appeals team

  - Commitment Adjustments (COMAD) team

  - Post-Commitment team (FCC Form 486, FCC Form 500, Service Substitutions, and SPIN Changes)

  - Invoicing team

- While focus from January to September was FY 2019 FCC Form 471 application reviews, vendor has reduced most post-commitment backlogs.

  - Challenges to reducing backlogs exist in Appeals, COMAD, and invoicing as incoming volumes tend to outpace outgoing decisions.

  - USAC management working with BPO vendor to develop strategy and velocity plans for reducing the backlogs.

CY2019 Invoice Line Item Reviews

- 274,789 line items received for all funding years requesting payment for $1.9 billion

- 251,090 line items processed authorizing $1.5 billion for payment

  - Average days outstanding: 62 days

  - Percent authorized of all received invoices: 99.2%

Discussion Topic: 2019 Applicant Training

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.

Feedback

- 52% submitted evaluations (177 evaluations)
  - 73.6% found training helpful overall
  - 63.5% found content very effective
  - 80.9% found trainers very effective
  - 78.5% found quizzes helpful

Location	Dates	Registered	Attendees
Applicant – Washington, DC	Sept.16/17	106	104
Applicant – Washington, DC	Sept.19/20	90	83
Applicant – Farmers Branch, TX	Sept. 23/24	175	162
Applicant – Palatine, IL	Oct. 2/3	153	124
Applicant & Tribal – Vancouver, WA	Oct. 16/17	111 (26 Tribal)	95
Applicant – North Branch, NJ	Oct. 22/23	75	51
Applicant – San Marcos, CA	Oct. 31/Nov.1	146	N/A
Applicant – Atlanta, GA	Nov. 13/14	155	N/A
Tribal – Tahlequah, OK	Nov. 19	14	N/A
Tribal – Farmington, NM	Nov. 21	47	N/A

N/A – Not Available
Information as of 10/22/19
NJ Training as of 10/23/19

"A very detailed, organized training - questions, answered, to the group's approval."

-applicant training participant

Discussion Topic: 2019 Service Provider Training

Service Provider Training

- Understand the Service Provider experience and requirements.
- Focus on common pitfalls, including common scenarios faced by providers.
- Emphasis on current issues from the field.

Feedback

- 58% submitted evaluations (56 evaluations)
  - 78.6% found training helpful overall
  - 75% found content very effective
  - 80.4% found trainers very effective
  - 78.6% found quizzes helpful

Location	Dates	No. of Attendees
Service Provider – Washington, DC	Aug. 5/6	100
Service Provider – Washington, DC	Aug. 8/9	84

"The Q/A portions are really valuable to hear other service providers comments and issues. We all experience a lot of the same things."

-service provider training participant

Available For Public Use

Discussion Topic: IT Update

- Working with IT and Shared Services on the MFA (multi-factor authentication) and One Portal Roll-out scheduled after the close of the FY 2020 filing window.

- Implemented FCC Form 498 business type changes required under the DATA Act of 2014 for the FCC to collect data on the types of entities doing business with the FCC.

E-rate Program at a Glance
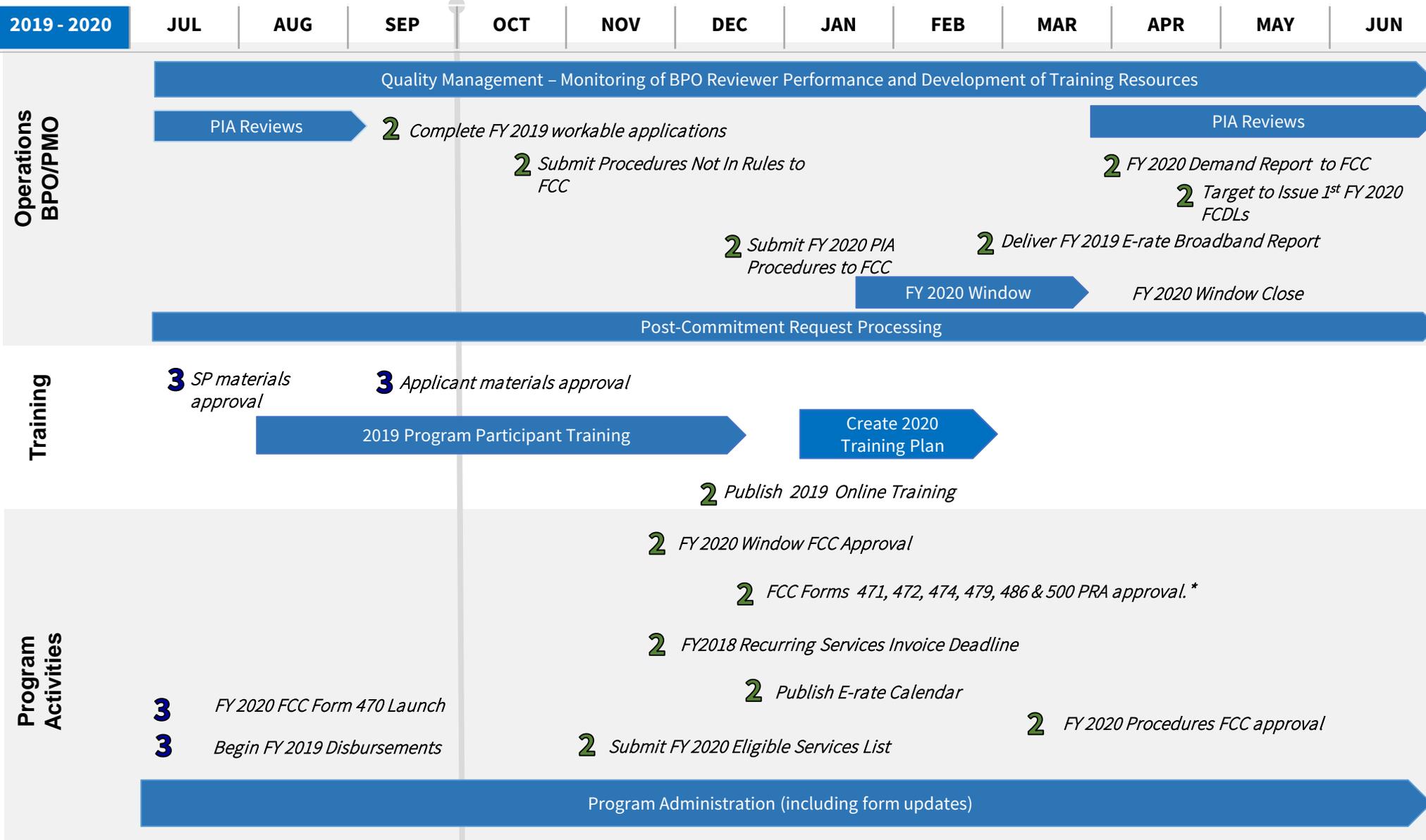
Milestone Legend

3 Completed
2 On Track
1 At Risk

| 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

2 Complete FY 2019 workable applications

2 Submit Procedures Not In Rules to FCC

PIA Reviews

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

3 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

3 FY 2020 FCC Form 470 Launch

3 Begin FY 2019 Disbursements

2 Submit FY 2020 Eligible Services List

2 FY 2020 Procedures FCC approval

Program Administration (including form updates)

* Subject to FCC Approval

All milestones are on track

Completed Milestones

- FY 2019 disbursements started
- FY 2020 FCC Form 470 launched
- SP materials approved
- Applicant materials approved
- End-to-End Systems Architecture Assessment

Note: Refer to Attachment A in the Appendix for 3rd Quarter Accomplishments, planned activities, and metrics.

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.

Available For Public Use

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

FCC/ DA #	Release Date	Description	Impact to Schools and Libraries
FCC 19-58	July 9, 2019	Notice or Proposed Rulemaking (NPRM)	The FCC released a NPRM proposing to make permanent the E-rate Category Two (internal connections) budget approach for all applicants. The NPRM also seeks comment on ways to improve the Category Two budget approach, and how best to transition from the five-year test period to a permanent extension.
DA 19-669	July 17, 2019	Public Notice – Wireline Competition Bureau directs USAC to fully fund eligible Category One and Category Two E-rate Requests	The FCC released a Public Notice announcing that there is sufficient funding available for Funding Year 2019 to fully meet USAC's estimated demand for Category One and Category Two requests for E-Rate supported services.
DA 19-701	July 31, 2019	Public Notice – Streamlined Resolution of Requests Related to Actions by USAC.	WCB issued a Public Notice for resolving requests for review, waiver, or reconsideration of USAC decisions. The Public Notice dismissed 5, granted 23, and denied 33 E-rate requests on various grounds. It also dismissed 3 Contributions requests.
DA 19-737	Aug. 2, 2019	Order – Request for Waiver by Tennessee E-Rate Consortium Nashville, TN	WCB issued an Order granting a Request for Waiver by the Tennessee E-Rate Consortium (Consortium) seeking waiver of the E-Rate competitive bidding rules for the funding year 2012 funding requests submitted by school districts that were not members of the Consortium at the time the Consortium's contract was competitively bid.
DA 19-738	Aug. 2, 2019	Public Notice – Wireline Competition Bureau seeks comments on FY 2020 ESL	WCB issued a Public Notice seeking comment on the proposed eligible services list (ESL) for E-Rate program for funding year (FY) 2020.
DA 19-850	Aug. 29, 2019	Public Notice – Streamlined Resolution of Requests Related to Actions by USAC.	WCB issued a Public Notice for resolving requests for review, waiver, or reconsideration of USAC decisions. The Public Notice dismissed 2, granted 22, and denied 52 E-rate requests on various grounds.
DA 19-838	Aug. 27, 2019	Order - Byte Networking's Request for Waiver	WCB released an Order granting Byte Networking's request for waiver of the E-rate program's invoicing rules due to extraordinary circumstances arising from the sudden death of the company's owner.
DA 19-837	Aug. 27, 2019	Order - Sunesys, LLC's Request for Waiver	WCB released an Order granting reconsideration of Sunesys, LLC's request for a waiver of E-rate's invoicing rules. The waiver was granted because the combination of USAC's issuance of the funding commitment decision letter near the end of the funding year and Sunesys' acquisition by a new company just after issuance of the letter, coupled with Sunesys's efforts to extend the invoice deadline, constituted extraordinary circumstances.
DA 19-840	Aug. 28, 2019	Order - Requests for Review and/or Waiver of a Decision of the Universal Service Administrator	WCB resolved five requests for review of USAC decisions denying requests for funding due to an applicant's or service provider's failure to retain all documents related to the application for, receipt, and delivery of discounted telecommunications and other supported services for the required amount of time after the last day of service delivered in the respective funding year. WCB granted two requests for review and granted two waivers. The final request was denied.

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 3Q2019 Update

SL 3Q2019 Updates & Accomplishments:

- Achieved September 1 benchmark of committing 95% of workable FY 2019 FCC Forms 471. As of September 30, 2019, USAC committed 34,691 applications for $1.8 billion.
- Continued to commit FY 2018 applications in 3Q2019. Total cumulative commitments to date are $2.675 billion. Disbursed $1.365 billion for FY 2018 to date.

Overall Schools and Libraries Activities

- Began issuing FY 2019 disbursements.
- Began accepting FY 2020 FCC Forms 470 submissions.
- Opened the Administrative Window, which allows applicants to enter updated student, school, and library data in preparation for the FY 2020 FCC Form 471 filing window. Approved data from last year was automatically pushed into profiles to reduce burden on applicants.
- Conducted Service Provider and Applicant in-person training events in Washington, D.C. and Dallas, Texas.
- Supported BPO provider's quality review processes through the development of additional job aids in support of PIA, invoicing, and post-commitment processing areas.
- Developed a dashboard to provide data on volumes and aging of open applications and requests, including PIA, invoicing, post-commitment, and customer service cases.
- For the BPO contract, developed a dashboard to allow for tracking of contractual critical service level agreements (CSLAs) related to processing operations.
- Began gathering potential business requirements for FCC's proposed Category Two budget changes in anticipation of Order issuance and implementation.
- Updated Appian system to improve overall system performance during peak times.

Planned Activities for the Next Quarter:

- Conduct additional in-person applicant trainings in Illinois, Washington, New Jersey, Georgia, and tribal trainings in Washington state, New Mexico and Oklahoma.
- Deliver updated online training for applicants and service providers based on feedback from the in-person training events.
- Implement changes for Category Two budget requirements per FCC order if released for FY 2020.

Available for Public Use

Briefing book excludes all materials discussed in Executive Session.

INFO Item #iSL02A
10/28/19
Page 2 of 2

3Q2019 Program Metrics

	Metric	Target	Jul	Aug	Sept	Variance		Description/mitigation
1A	FY 2018 Funding Commitments ($M)	$2,857	$2,607	$2,621	$2,675	$54	✓	Cumulative $ requested complete
1B	FY 2018 Funding Commitments vol.	35,808	35,462	35,472	35,503	31	✓	Cumulative applications complete
1C	FY 2018 Funding Disbursements ($M)	$1,300	$1,115	$1,262	$1,365	$103	✓	Cumulative authorized disbursements
2A	FY 2019 Funding Commitments ($M)	$2,896	$1,124	$1,788	$2,078	$290	✓	Cumulative $ requested complete
2B	FY 2019 Funding Commitments vol.	36,439	26,858	33,429	34,481	1,052	✓	Cumulative applications complete
2C	FY 2019 Funding Disbursements ($M)	$80	$17	$65	$120	$55	✓	Cumulative authorized disbursements
3	Call Center Abandon Rate	3.0%	1.1%	1.4%	1.1%	-0.3%	✓	
4	Appeals Processing (Avg Days Open)	90	82	90	110	20	⚑	Excludes appeals on FCC hold.

Legend
✓ On track
⚑ Action Required

Available for Public Use

Page 28 of 28