Schools & Libraries Committee

Briefing Book

Monday, July 24, 2023

10:00 -10:45 a.m. Eastern Time

Available for Public Use

Universal Service Administrative Company

700 12th Street, N.W., Suite 900

Washington, D.C. 20005

Universal Service Administrative Company
Schools & Libraries Committee
Quarterly Meeting
Agenda

Monday, July 24, 2023
10:00 a.m. – 10:45 a.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 & Libraries Committee Meeting Minutes of April 20 and May 1, 2023 **B.** Approval of moving all ***Executive Session*** items into ***Executive Session***	5
Craig	**a2.** Approval of Schools and Libraries Support Mechanism 4th Quarter 2023 Programmatic Budget and Demand Projection for the August 2, 2023 FCC Filing	5
Teleshia	**i1.** Information on Six USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports *(For Information Only)*	–
Craig	**i2.** E-Rate Business Update • Accomplishments • Funding Year 2023 Observations • Plans For Next Quarter • Roadmap • Appendix: Program Metrics • Appendix B: Glossary of Terms	20

	EXECUTIVE SESSION **Confidential – *Executive Session Recommended***	
Craig/ Kyle	**i3.** E-Rate Business Update *(Continued, if needed)*	10

Next Scheduled USAC Schools & Libraries Committee Meeting

Monday, October 30, 2023
USAC Offices, Washington, D.C.

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 20 and May 1, 2023. S*ee* **Attachments A-1 and A-2**.

B. Approval of moving one ***Executive Session*** item into ***Executive Session***:

(1) **i3 –** E-Rate Business Update *(Continued, if needed*). USAC management recommends that this item be discussed in ***Executive Session*** because it may involve discussion of ***specific internal controls or confidential company data*** or ***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.

Recommended USAC Schools & Libraries Committee Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the Schools & Libraries Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of April 20 and May 1, 2023; and (2) discussion in ***Executive Session*** of the item noted above.

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

SCHOOLS & LIBRARIES COMMITTEE MEETING
Thursday, April 20, 2023

(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 Thursday April 20, 2023. Dr. Dan Domenech, Committee Chair, called the meeting to order at 11:32 a.m. Eastern Time, with a quorum of all nine Committee members present:

Buzacott, Alan
Domenech, Dr. Dan – Chair
Fontana, Brent – *by telephone*
Gregory, Amber
Mason, Ken
Sanquist, Christine – *by telephone*
Schell, Julie Tritt – Vice Chair
Sekar, Radha
Wade, Dr. Joan

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer – *by telephone*
Butler, Stephen – Vice President of Shared Services
Chalk, Indra – Member of the Board
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Feiss, Geoff – Member of the Board
Freeman, Sarah – Member of the Board – *by telephone*
Gaither, Victor – Vice President of High Cost – *by telephone*
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and Assistant Treasurer
Gillan, Joe – Member of the Board
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
O'Brien, Tim – Vice President of Lifeline – *by telephone*
Sweeney, Mark – Vice President of Rural Health Care – *by telephone*
Waller, Jeff – Member of the Board – *by telephone*
Wein, Olivia – Member of the Board
Wibberly, Dr. Kathy – Member of the Board – *by telephone*

[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.

Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

NAME	COMPANY
Bolling, Christopher – *by telephone*	USAC
Borg, Jeanenne – *by telephone*	USAC
Braxton, Carolyn	USAC
Faunce, Donna – *by telephone*	USAC
Goode, Vernell	USAC
Kriete, Debra – *by telephone*	South Dakota State E-rate Coordinator
LeNard, Dave – *by telephone*	CDW-G
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Phillippi, Megan	USAC
Robinson, Jen – *by telephone*	USAC
Rones, Julie	USAC
Rovetto, Ed – *by telephone*	USAC
Sihuin, Mely – *by telephone*	USAC
Wilson, Carl	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 Committee meeting minutes of January 30, 2023.

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

(1) **i3** – E-Rate Business Update *(Continued)*. USAC management recommended that this item be discussed in ***Executive Session*** because it may involve discussion of ***specific internal controls or confidential company data*** or ***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**.**

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

RESOLVED, that the Schools & Libraries Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of January 30, 2023; and (2) discussion in ***Executive Session*** of the items noted above.

a2. Approval of Schools and Libraries Support Mechanism 3rd Quarter 2023 Programmatic Budget and Demand Projection for the May 2, 2023 Federal Communications Commission (FCC) Filing. Mr. Davis 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 2023 programmatic budget and demand projection for the May 2, 2023 FCC Filing.

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

RESOLVED, that the USAC Schools & Libraries Committee approves a 3rd Quarter 2023 Schools and Libraries Support Mechanism direct program budget of $9.61 million and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of $9.61 million for Schools and Libraries Support Mechanism administrative costs in the required May 2, 2023 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee, having reviewed at its meeting on April 20, 2023, the 3rd Quarter 2023 Schools and Libraries Support Mechanism demand estimate of $546.83 million, hereby directs USAC staff to proceed with the required May 2, 2023 filing to the Federal Communications Commission 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 $25 million.

i1. Information on One USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Report. This item was provided for *information purposes only*. No discussion was held. Dr. Domenech noted that the Schools and Libraries Audit Briefing Book would be made public and posted to the USAC website.

i2. E-Rate Business Update. Mr. Davis presented PowerPoint slides to the Committee covering the following items:

- 1Q2023 Accomplishments

- Funding Year 2023 Filing Window Overview
- Fiber Trends
- Plans for Next Quarter
- Roadmap

At 12:02 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into ***Executive Session*** for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

i3. E-Rate Business Update *(Continued).* Mr. Davis and Mr. Hutchinson presented PowerPoint slides to the Committee covering the following items:

- E-Rate Legacy System Consolidation Update

OPEN SESSION

At 12:28 p.m. Eastern Time, 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 item i3.

On a motion duly made and seconded, the Committee adjourned at 12:28 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

SCHOOLS & LIBRARIES COMMITTEE MEETING
Monday, May 1, 2023

(DRAFT) MINUTES[1]

The non-quarterly meeting of the Schools & Libraries Committee (Committee) was conducted by web conference on Monday, May 1, 2023. At the request of Dr. Dan Domenech, Committee Chair, Julie Tritt Schell, Committee Vice Chair, chaired the meeting. The meeting was called to order at 4:04 p.m. Eastern Time, with a quorum of six of the nine Committee members present:

Buzacott, Alan
Gregory, Amber
Mason, Ken
Sanquist, Christine
Schell, Julie Tritt – Vice Chair
Wade, Dr. Joan

Members of the Committee not present:

Domenech, Dr. Dan – Chair
Fontana, Brent
Sekar, Radha

Other Board members and officers of the corporation present:

Davis, Craig – Vice President of Schools and Libraries
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and Assistant Treasurer
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present by telephone:

NAME	**COMPANY**
Nuzzo, Patsy	USAC
Phillippi, Megan	USAC
Wilson, Carl	USAC

[1] Draft resolutions were presented to the Board prior to the Board 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.

OPEN SESSION

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

a1. Approval of Revised Schools and Libraries Support Mechanism 3rd Quarter 2023 Programmatic Budget and Demand Projection for the May 2, 2023 Federal Communications Commission (FCC) Filing. Mr. Davis presented this item for consideration. The presentation included a written report on USAC management's recommendations for the revised Schools and Libraries Support Mechanism 3rd Quarter 2023 programmatic budget and demand projection for the May 2, 2023 FCC Filing.

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

RESOLVED, that the USAC Schools & Libraries Committee approves a 3rd Quarter 2023 Schools and Libraries Support Mechanism direct program budget of $9.61 million and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of $9.61 million for Schools and Libraries Support Mechanism administrative costs in the required May 2, 2023 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee, having reviewed at its meeting on May 1, 2023 the 3rd Quarter 2023 Schools and Libraries Support Mechanism demand estimate of $586.77 million, hereby directs USAC staff to proceed with the required May 2, 2023 filing to the Federal Communications Commission 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 $25 million.

On a motion duly made and seconded, the Committee adjourned at 4:12 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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Schools & Libraries Committee Meeting

ACTION ITEM

Approval of Schools and Libraries Support Mechanism 4th Quarter 2023 Programmatic Budget and Demand Projection for August 2, 2023, FCC Filing

Action Requested

The Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve a 4th Quarter 2023 (4Q2023) 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, 2023, 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 4Q2023 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)	**3Q2023**	**Increase/ (Decrease)**	**4Q2023**	**Notes**
Steady State:				
Program Funding Requirement	$568.04	$63.41	$631.45	See Note 1 and Table B
New Requirements:				
N/A	0.00	0.00	0.00	
Total Program Funding Requirement	**$568.04**	**$63.41**	**$631.45**	
Prior Period Adjustments (difference between projections and actuals):				
Billings	5.20	0.87	6.07	
Interest Income	(0.02)	0.00	(0.02)	
Bad Debt Expense	(6.11)	1.23	(4.88)	
Total Prior Period Adjustments	**($0.93)**	**$2.10**	**$1.17**	
USAC Administrative Expenses	**$19.66**	**($0.24)**	**$19.42**	See Table C
Total Funding Requirement	**$586.77**	**$65.27**	**$652.04**	

Note 1: The Program Funding Requirement represents one quarter of the remaining collections required to meet projected demand for Funding Year 2023 of $2,712.39 million. The FCC authorized USAC to carry forward $440.22 million to Funding Year 2023. The FCC further directed USAC to use $250 million of the funds carried forward to reduce collections for Funding Year 2023 and to reserve remaining funds carried forward for future use. *See* Table B below for additional detail.

Note 2: Table B is an annual schedule that is updated once a year for the April Board meeting. We have updated the table below to reflect the guidance provided by the FCC to reserve funds for future use.

Table B. Funding Year 2023 Program Funding Requirement and Roll Forward

(in millions)	**Fund Year 2023**
Total Requested (In Window)	$2,944.01
Decrease for Denials/Cancellations (based on 5 yr. average)	($319.58)
Increase for Out of Window Apps (based on 5 yr. average)	$87.96
Estimated Demand	**$2,712.39**
Less Roll Forward Used to Offset Collections	
Available Funds from Prior Fund Year	$2,956.69
Disbursements	($2,171.18)
Reserved Funds, Net Change	
a. Pending Applications to Process	$202.55
b. Unliquidated Obligations (ULOs)	($563.63)
c. Appeals Reserve - USAC Appeals	$10.89
d. Appeals Reserve - FCC Appeals	($1.57)
e. Unpaid Invoices	$6.47
f. Reserve for future use (per FCC guidance)	($190.22)
Total Roll Forward	**$250.00**
Funding Year 2023 Collection Requirement	**$2,462.39**

Based on the projected burn rate, USAC estimates the following 4Q2023 programmatic budget:

Table C. Quarterly Programmatic Budget

(in millions)	**3Q2023 Budget**	**Increase/ (Decrease)**	**4Q2023 Budget**	**Notes**
Direct Program Costs				
Employee Expenses	$2.00	$0.04	$2.04	
Professional Services	3.88	(0.44)	3.44	
General & Administrative	0.00	0.00	0.00	See Note 3
Total Direct Program Costs	**$5.88**	**($0.40)**	**$5.48**	
Direct Assigned Costs				
Employee Expenses	$0.73	$0.04	$0.77	
Professional Services	2.34	0.00	2.34	
General & Administrative	0.66	0.02	0.68	See Note 3
Total Direct Assigned Costs	**$3.73**	**$0.06**	**$3.79**	
Total Direct Program & Direct Assigned Costs	**$9.61**	**($0.34)**	**$9.27**	
Common Allocated Costs	**$10.05**	**$0.10**	**$10.15**	
Total Programmatic Budget	**$19.66**	**($0.24)**	**$19.42**	

Note 3: 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, 2023, is provided in **Attachment 1.**

Recommendation

USAC management recommends that the Committee approve the 4Q2023 budget and projection of demand as proposed.

Recommended Schools & Libraries Committee Actions

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Schools & Libraries Committee approves a 4th Quarter 2023 Schools and Libraries Support Mechanism direct program budget of $9.27 million and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of $9.27 million for Schools and Libraries Support Mechanism administrative costs in the required August 2, 2023 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee, having reviewed at its meeting on July 24, 2023 the 4th Quarter 2023 Schools and Libraries Support Mechanism demand estimate of $652.04 million, hereby directs USAC staff to proceed with the required August 2, 2023 filing to the Federal Communications Commission 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 $25 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, 2023

($ in millions)	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	58	63	5	$3.90	$4.02	$0.12
Professional Services (Note 4)				9.59	10.21	0.62
General & Administrative (Note 5)				0.00	0.00	0.00
Total Direct Program Costs				**$13.49**	**$14.23**	**$0.74**
Direct Assigned Costs						
Employee Expenses	21	17	(4)	$1.62	$1.46	($0.16)
Professional Services (Note 4)				4.80	4.69	(0.11)
General & Administrative (Note 5)				1.43	1.32	(0.11)
Total Direct Assigned Costs				**$7.85**	**$7.47**	**($0.38)**
Total Direct Program & Direct Assigned Costs	**79**	**80**	**1**	**$21.34**	**$21.70**	**$0.36**
Common Allocated Costs (Note 6)				**$18.21**	**$20.56**	**$2.35**
Total Programmatic Budget				**$39.55**	**$42.26**	**$2.71**

Note 4: 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 5: General & Administrative expenses include computer support & maintenance, printing & postage, and meetings & conferences.

Note 6: 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. Actual common allocated costs reflect a reduction for costs allocated to the appropriated programs.

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Schools and Libraries Committee

E-Rate Business Update

Open Session

July 24, 2023

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Agenda

- Accomplishments
- Funding Year (FY) 2023 Observations
- Plans for Next Quarter
- Roadmap
- Appendix A: Program Metrics
- Appendix B: Glossary of Terms

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Accomplishments

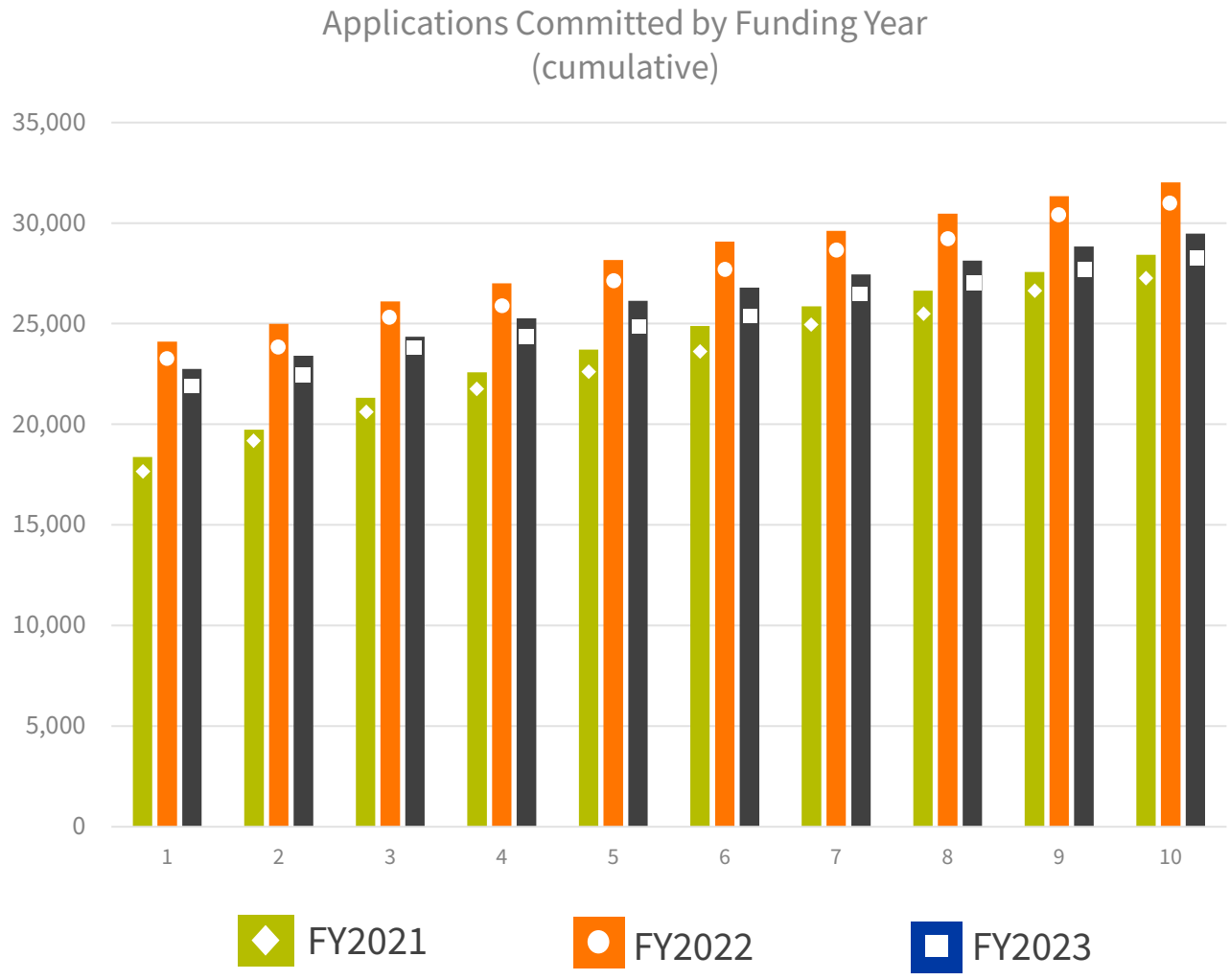
- FY2023 Administration: Processed 84.2 percent (29,478 of 35,029) of FY2023 applications and 53.4 percent of requested dollars ($1,620.8 million of $3,035.5 million).
  - 64.4 percent of Fiber applications completed (724 of 1,124); 25.5 percent of requested dollars reviewed ($84.2 million of $330 million).
  - 63.9 percent of Consortium applications completed (1,053 of 1,648); 25.6 percent of requested dollars reviewed ($104.7 million of $408.2 million).
  - 1,223 Tribal applications submitted in FY2023 requesting $192 million; 1,033 Tribal applications committed for $92 million.
- FY2022 Administration: Substantially complete.
  - Processed 99.5 percent (35,598 of 35,770) of FY2022 applications and 98.6 percent of requested dollars ($3,166.8 million of $3,210.8 million).
- Authorized disbursements of $548 million for all funding years in 2Q2023 compared with $437.3 million in 2Q2022.

Accomplishments (Continued)

- Training and Outreach
  - USAC conducted three online webinars for FY2023 in 2Q2023
    - **Program Integrity Assurance (PIA) Review and Selective Review Process Webinar** (April 25) – Provided an overview of the PIA and Selective Review processes and steps to prepare for them.
    - **E-Rate System Consolidation Kickoff Webinar** (April 27) – E-Rate staff discussed the system changes, who is affected, the implementation timeline, and how USAC will support applicants and service providers throughout the transition.
    - **Beginning E-Rate Services Webinar** (June 27) – Provided applicants and service providers a high-level overview of the next steps in the E-Rate process, after equipment and services are funded.

FY2023 Observations

- FY2023 application processing is 8 percent behind FY2022 and 3.7 percent ahead of FY2021 through 10 funding waves.
- Dollars reviewed ($1.62 billion) for FY2023 through 10 funding waves is 18.6 percent lower than FY2022 ($1.99 billion).
- Dollars committed ($1.54 billion) for FY2023 through 10 funding waves is 16 percent lower than FY2022 ($1.84 billion).
- Fiber application approvals for FY2023 are 8 percent behind FY2022 approvals (724 vs.786) through 10 funding waves but dollars committed are only 4.4% behind ($80 million vs $83.7 million).



Plans for Next Quarter

- FY2023 Administration
  - Continue working toward Sept. 1 target date to complete all workable FCC Form 471 applications.
- Conduct training and deploy systems capabilities supporting invoicing and post-commitment within EPC.
- Continue deploying enhancements to the invoicing and post-commitment functions moved into EPC.
- Continue processing prior-year applications, appeals, commitment adjustments, and other program transactions.
- 3Q2023 Training
  - Upcoming webinar topics include Competitive Bidding and the FCC Form 470 (the FY2024 bidding period opened July 1), E-Rate Open-Data Tools, and Service Provider training.
  - Prepare content for fall 2023 training sessions for FY2024 including E-Rate Overview, the PIA process, Eligible Services, Category Two budgets, and the invoicing process.

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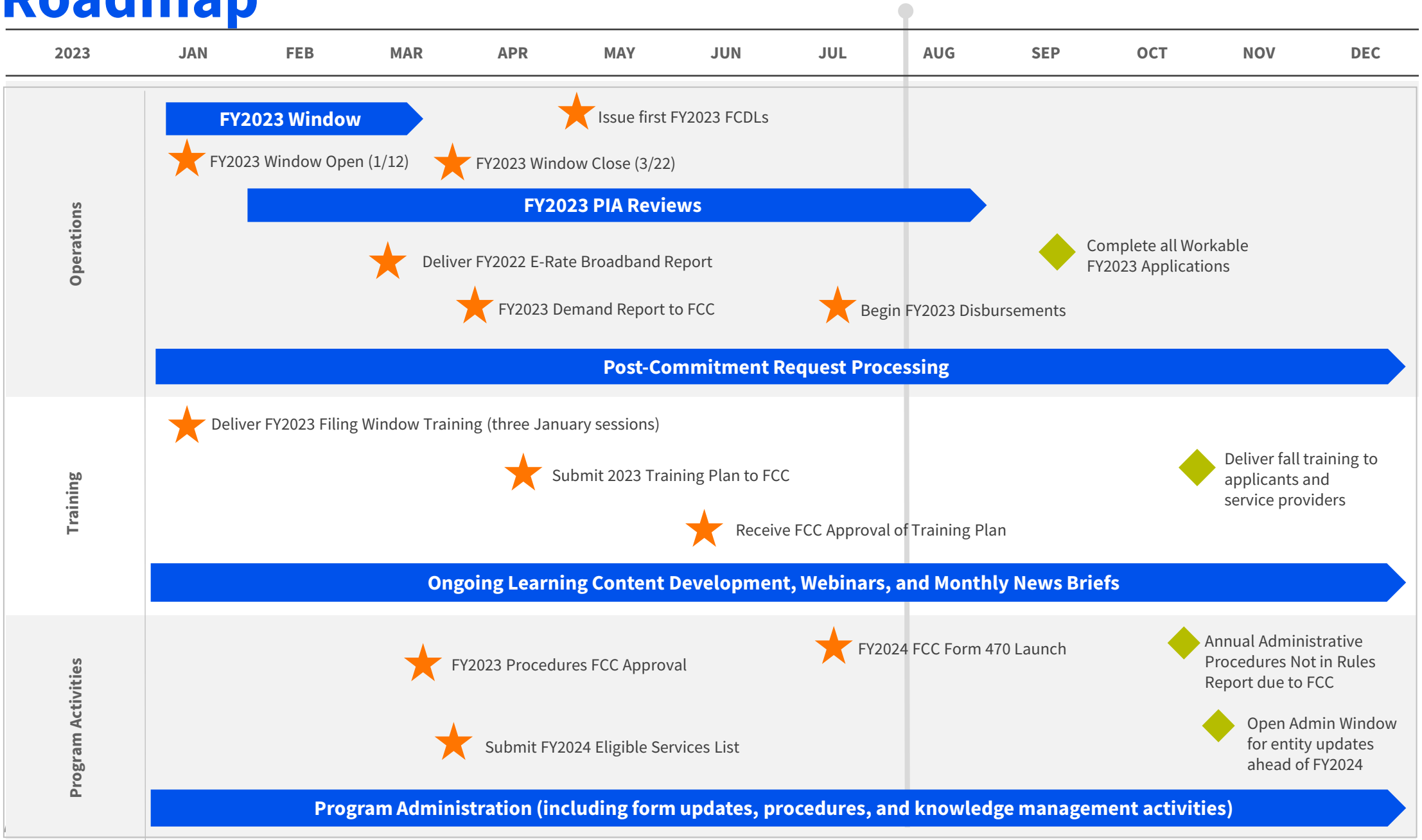
Roadmap



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Appendix A: Program Metrics

E-Rate Pre-Commitment (Data through June 30, 2023)

			Q1	Q2	Q3	Q4	Total
Requested	2023	Demand	34,574	455			35,029
		Requested Dollars	$2,951,402,969	$84,072,896			$3,035,475,86
		Avg. Days Outstanding	120	86			103
	2022	Demand	35,191	573	2	2	35,768
		Requested Dollars	$3,169,497,779	$40,873,454	$38,390	$289,164	$3,210,698,787
		Avg. Days Outstanding	487	444	316	241	372
Committed	2023	Reviewed Applications		29,478			29,478
		Reviewed Dollar		$1,620,808,357			$1,620,808,357
	2022	Reviewed Applications		32,534	1,966	873	35,373
		Reviewed Dollar		$2,062,972,599	$668,813,140	$331,705,640	$3,063,491,379

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Appendix A: Program Metrics (Continued)

E-Rate Post-Commitment (Data through June 30, 2023)

			Q1	Q2	Q3	Q4	Total
Submitted	2023	Invoice Counts	68,098	64,263	171		132,532
		Invoice Dollars	$633,664,644	$650,476,142	$1,614,013		$1,285,754,799
	2022	Invoice Counts	72,512	68,731	75,273	65,071	281,587
		Invoice Dollars	$603,170,262	$506,042,308	$730,788,300	$618,965,548	$2,458,966,418
Disbursed	2023	Invoice Counts	61,869	64,633			126,502
		Invoice Dollars	$445,813,984	$543,829,740			$989,643,724
	2022	Invoice Counts	71,398	67,663	70,458	71,497	281,016
		Invoice Dollars	$532,816,948	$426,890,200	$556,229,624	$578,626,632	$2,094,563,404

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Appendix B: Glossary of Terms

Term	Definition
BEAR	Billed Entity Applicant Reimbursement (FCC Form 472)
BMIC	Basic Maintenance of Internal Connections
C1	Category One services (Data transmission and internet access services)
C2	Category Two services (Internal connections, BMIC, MIBS)
EPC	E-Rate Productivity Center
FCDL	Funding Commitment Decision Letter
FRN	Funding Request Number

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Appendix B: Glossary of Terms (Continued)

Term	Definition
FY	Funding Year
IC	Internal Connections
MIBS	Managed Internet Broadband Services
PIA	Program Integrity Assurance
SPAC	Service Provider Annual Certification (FCC Form 473)
SPIN	Service Provider Identification Number
UAT	User Acceptance Testing

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Schools and Libraries Committee

Tribal Libraries & FCC 23-56
Enhancing Tribal Access to E-Rate

Open Session

July 24, 2023

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E-Rate Program: Tribal Libraries

- In 2022, the FCC amended its E-Rate rules to include Tribal libraries in its definition of library and clarify Tribal libraries are eligible for support.
- A library may be designated as a Tribal library by a Tribal Government (e.g., pursuant to a Tribal Resolution).
- A Tribal library may also work with the state library administrative agency where they are located.
- Tribal libraries should demonstrate three characteristics commonly associated with Institute of Museum and Library Services (IMLS) grants to Native American libraries:
  - Regularly scheduled hours,
  - Staff, and
  - Materials available for library users.

E-Rate Program: Improving E-Rate for Tribal Applicants

New Draft Report and Order and FNPRM Seeks to Improve E-Rate Rules and Processes to Encourage Greater Tribal Participation in the E-Rate Program

- Allow Tribal college and university libraries that also serve as public libraries in their communities to apply for and receive E-Rate support.
- Create a new competitive bidding exemption for libraries seeking Category Two services and equipment that cost less than $3,600, per year, per library.
- Increase the maximum Category Two discount rate to from 85% to 90% and the Category Two five-year funding floor from $25,000 to $55,000 for Tribal libraries.
- Adopt a definition of “Tribal” for the E-Rate program.
- Expand USAC Board of Directors to add a Tribal community representative.
- Increase USAC outreach and training on E-Rate and the USF programs for Tribal applicants.
- Seek comments on simplification of other program rules for all E-Rate applicants.