

**Universal Service Administrative Company  
Schools & Libraries Committee Quarterly Meeting  
Agenda**

<b>Monday, January 27, 2014 1:30 p.m. – 3:00 p.m. Eastern Time USAC Offices 2000 L Street, N.W., Suite 200 Washington, D.C. 20036</b>
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<b><u>ACTION ITEMS</u></b>
<b>a1.</b> Approval of Schools & Libraries Committee Meeting Minutes of October 28, 2013
<b>a2.</b> Recommendation for Election of Committee Chair and Vice Chair
<b>a3.</b> Approval of 2nd Quarter 2014 and 2014 Annual Schools and Libraries Support Mechanism Programmatic Budgets
<b>a4.</b> Approval of 2nd Quarter 2014 Schools and Libraries Support Mechanism Demand Projection for the January 31, 2014 FCC Filing
<b>a5.</b> Consideration of Schools and Libraries Program Operations Support Services Contract – <b>Confidential</b> – <i>Executive Session Recommended</i>
<b>a6.</b> Action on Five USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option</i>
<b>a7.</b> Miscellaneous. Solicit ideas for April 2014 Committee meeting agenda.

<b><u>INFORMATION ITEMS</u></b>
<b>i1.</b> Schools and Libraries Support Mechanism Update
<b>i2.</b> Miscellaneous.

**Next Scheduled USAC Schools & Libraries Committee Meeting**

<b>Monday, April 28, 2014 1:30 p.m. – 3:00 p.m. Eastern Time USAC Offices, Washington, D.C.</b>
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**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**2000 L Street, N.W., Suite 200**  
**Washington, D.C. 20036**

**SCHOOLS & LIBRARIES COMMITTEE MEETING**  
**Monday, January 27, 2014**

**MINUTES**

The quarterly meeting of the Schools & Libraries Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, January 27, 2014. At the request of Ms. Anne Campbell, Committee Chair, Dr. Brian Talbott, Committee Vice Chair, called the meeting to order at 1:30 p.m. Eastern Time, with six of the seven Committee members present:

Barash, Scott – Acting Chief Executive Officer	Noriega, Raquel
Campbell, Anne – Chair – <i>by telephone</i>	Tritt Schell, Julie
Mason, Ken	Talbott, Dr. Brian

Dr. Dan Domenech joined the meeting at 1:48 p.m. Eastern Time. He did not discuss or vote on items a1, a2, a3, a4 or a6.

Other members of the Board of Directors (Board) and officers of the corporation present:

Belden, Richard – Chief Operating Officer  
Blackwell, Mel – Vice President, Schools & Libraries Division  
Brown, Eric – Member of the Board  
Capozzi, David – General Counsel and Assistant Secretary  
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer  
Feiss, Geoff – Member of the Board  
Greiner, Colleen – Vice President and Chief Information Officer  
Jones, Rochelle – Member of the Board  
Scott, Wayne – Vice President of Internal Audit  
Wein, Olivia – Member of the Board

Others present for the meeting:

<b><u>NAME</u></b>	<b><u>COMPANY</u></b>
Anderson, Latoya	USAC
Ayer, Catriona	USAC
Betancourt, Laura	USAC
Bethel, Tameca	USAC
Caruso, Michael	USAC
Delmar, Teleshia	USAC
Duvall, Rashann	USAC

<u>NAME</u>	<u>COMPANY</u>
Frelow, Leslie	USAC
Garrett, Erika	USAC
Goldberger, Jill	FCC
Harrington, John	Funds for Learning
Johnson, Sharen	USAC
Kaplan, Peter	Funds For Learning
King, Sola	USAC
Kraft, Michael	USAC
Kriete, Debra	South Dakota DOE
Lacey, Kimberly	USAC
McBride, Latisa	USAC
Miller, Jack	Solix, Inc.
Nelback, Nick	USAC
Nuzzo, Patsy	USAC
Rushiti, Alban	USAC
Schrieber, Johnnay	USAC
Sinkfield, David	USAC
Skadin, Andy	FCC
Smith, Chris	USAC
Spade, Gina – <i>by telephone</i>	FCC
Stankus, Paul	CSM
Wilson, Reggie	USAC

### ACTION ITEMS

- a1. **Approval of Schools & Libraries Committee Meeting Minutes of October 28, 2013.** On a motion duly made and seconded, the Committee approved the minutes as written of the Schools & Libraries Committee meeting of October 28, 2013.
- a2. **Recommendation for Election of Committee Chair and Vice Chair.** Dr. Talbott recommended that this item be deferred until the FCC Chair makes selections to the USAC Board of Directors.
- a3. **Approval of 2nd Quarter 2014 and 2014 Annual Schools and Libraries Support Mechanism Programmatic Budgets.** The Committee determined to discuss the proposed budgets in *Executive* Session because a number of the budget items relate to matters under discussion with FCC staff. Mr. Capozzi recommended that in accordance with the approved criteria and procedures for conducting USAC Board of Directors (Board) and committee business in *Executive Session*, that discussion of the Schools and Libraries proposed budgets be conducted in *Executive Session* because this matter relates to *pre-decisional matter pending before the FCC*.

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

**RESOLVED**, that the USAC Schools & Libraries Committee determines that discussion of the proposed Schools and Libraries Information budgets be conducted in *Executive Session*.

- a4. Approval of 2nd Quarter 2014 Schools and Libraries Support Mechanism Demand Projection for the January 31, 2014 FCC Filing.** Mr. Blackwell presented this item for discussion.

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 at its meeting on January 27, 2014, a summary of the 2nd Quarter 2014 support mechanism demand estimates, including administrative costs, hereby directs USAC management to proceed with the required January 31, 2014 filing to the FCC on behalf of the Committee. Management may make adjustments if the variance is equal to or less than \$10.0 million or may seek approval from the Schools & Libraries Committee Chair to make adjustments if the variance is greater than \$10.0 million but no more than \$15.0 million.

- a5. Consideration of Schools and Libraries Program Operations Support Services Contract.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended 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, the Committee adopted the following resolution:

**RESOLVED**, that the USAC Schools & Libraries Committee determines that consideration of the proposed contract extension for the Schools and Libraries Program operations support services shall be conducted in *Executive Session*.

- a6. Action on Five USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** Mr. Chris Smith, Manager, Internal Audit, presented this item for discussion.

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 USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit reports listed in Exhibit I to the

issue paper together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such reports final.

- a7. Miscellaneous. Solicit Ideas for the April 2014 Committee Agenda.** Dr. Talbott reminded Committee members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Ms. Campbell, Dr. Talbott or Mr. Blackwell between quarterly meetings.

## **INFORMATION ITEMS**

- i1. Schools and Libraries Support Mechanism Update.** Mr. Blackwell presented this item for discussion, noting that:
- On November 19, 2013, USAC announced the FCC Form 471 application filing window for Funding Year (FY) 2014 will open at noon Eastern Time on Thursday, January 9, 2014 and will close at 11:59:59 p.m. Eastern Time on Wednesday, March 26, 2014. The filing window will be open for 77 days.
  - On October 22, 2013, the FCC released Public Notice DA 13-2037 publishing the Eligible Services List (ESL) for FY 2014 and authorizing USAC to open the annual application filing window no earlier than December 23, 2013.
  - On December 9, 2013, USAC management submitted the Schools and Libraries Program Integrity Assurance (PIA) FCC Form 471 Review Procedures for FY 2014 to the FCC for review and approval.
  - USAC released FY 2013 Wave 32 Funding Commitment Decision Letters (FCDLs) on December 27, 2013. As of December 31, 2013, funding commitments for Priority One services total approximately \$1.62 billion.
  - USAC released FY 2012 Wave 73 FCDLs on December 30, 2013. As of December 31, 2013, funding commitments total approximately \$2.84 billion.
  - On October 17, 2013, the FCC released Public Notice DA 13-2025, which set the filing deadlines after the FCC resumed normal operations from the government shutdown.
  - On December 19, 2013, the FCC released Public Notice DA 13-2431 announcing that the Wireline Competition Bureau (Bureau), after consultation with the Office of Management and Budget (OMB), is providing the opportunity for interested parties to comment on the information collection burdens associated with revisions to the approved FCC Form 471 Instructions.

To expedite navigation, please use the bookmarks located in the Navigation Pane.

- USAC Internal Audit Division (IAD) staff is performing Beneficiary and Contributor Audit Program (BCAP) audits of Schools and Libraries Program beneficiaries and service providers. Five audits will be presented to the Committee at this meeting.
- USAC Information Technology (IT) and Schools and Libraries Division (SLD) staff successfully updated and deployed software for the FCC mandated revisions to the FCC Forms 470, 471 and 486.
- USAC staff conducted eight successful one-day fall applicant trainings for FY 2014. The training sessions were held in the following cities: Washington, DC; Newark, NJ; Minneapolis, MN; St. Louis, MO; Atlanta, GA; Houston, TX; Los Angeles, CA; and Portland, OR. A near record number of 1,451 program participants attended the trainings.
- The Helping Applicants to Succeed (HATS) team has completed 830 HATS-type visits this year with 62 visits conducted in person, 197 by telephone and 571 in targeted outreach projects. In 2013, the HATS team initiated outreach with applicants in 50 states, Puerto Rico, Guam and the Northern Mariana Islands.
- The average time to process an invoice line was 10 days in November 2013. The invoicing team processed 94.2 percent of incoming invoice lines within 30 days.
- USAC processed and completed 72.3 percent of appeals within 90 days of receipt during the quarter.

At 2:14 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items noted above.

### **EXECUTIVE SESSION**

- a3. Approval of 2nd Quarter 2014 and 2014 Annual Schools and Libraries Support Mechanism Programmatic Budgets.** Mr. Belden presented this item for discussion.

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 2nd Quarter 2014 programmatic operating budget for the Schools and Libraries Support Mechanism of \$13.5 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee approves a 2nd Quarter 2014 capital budget for the Schools and Libraries Support Mechanism of \$1.1 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$14.6 million for Schools and Libraries Support Mechanism administrative and capital costs in the required January 31, 2014 filing to the FCC on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC Schools and Libraries Committee approves an annual 2014 Schools and Libraries Support Mechanism operating budget of \$53.0 million; and

**RESOLVED FURTHER**, that the USAC Schools and Libraries Committee approves an annual 2014 Schools and Libraries Support Mechanism capital budget of \$4.4 million.

**a5. Consideration of Schools and Libraries Program Operations Support Services Contract.**

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

**RESOLVED**, that the USAC Schools & Libraries Committee accepts management's recommendation and hereby approves an extension to the contract between USAC and Solix, Inc. under the terms set forth by management in the issue paper for Schools and Libraries Program operations support services for the period July 1, 2014 through June 30, 2016.

At 3:13 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Talbott reported that in *Executive Session*, the Committee discussed and took action on items a3 and a5 above.

Dr. Talbott, on behalf of the Committee, thanked Mr. Barash for his many contributions to the Committee and USAC and wished him well in his future endeavors.

On a motion duly made and seconded, the Committee adjourned at 3:14 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary

To expedite navigation, please use the bookmarks located in the Navigation Pane.

**Universal Service Administrative Company  
Schools & Libraries Committee Meeting  
Agenda**

**Friday, February 7, 2014  
2:30 p.m. – 3:00 p.m. Eastern Time  
USAC Offices  
2000 L Street, N.W., Suite 200  
Washington, D.C. 20036**

**ACTION ITEMS**

- a1.** Consideration of Approval to Deny Commitments for Priority 2 Services at a Discount Rate of 90 Percent for Funding Year 2013

**Next Scheduled USAC Schools & Libraries Committee Meeting**

**Monday, April 28, 2014  
1:30 p.m. – 3:00 a.m. Eastern Time  
USAC Offices, Washington, D.C.**



**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**2000 L Street, N.W., Suite 200**  
**Washington, D.C. 20036**

**SCHOOLS & LIBRARIES COMMITTEE MEETING**  
**Friday, February 7, 2014**

**MINUTES**

A meeting of the Schools & Libraries Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Friday, February 7, 2014. Ms. Anne Campbell, Committee Chair called the meeting to order at 2:33 p.m. Eastern Time, with quorum of all seven Committee members present:

Barash, Scott – Acting Chief Executive Officer – *by telephone*  
Campbell, Anne – Chair – *by telephone*  
Domench, Dr. Dan – *by telephone*  
Mason, Ken – *by telephone*  
Noriega, Raquel – *by telephone*  
Schell, Julie Tritt – *by telephone*  
Talbott, Dr. Brian – *Vice Chair – by telephone*

Other members of the Board of Directors (Board) and officers of the corporation present:

Blackwell, Mel – Vice President, Schools & Libraries Division  
Capozzi, David – General Counsel and Assistant Secretary  
Jones, Rochelle – Member of the Board – *by telephone*  
Olivia Wein – Member of the Board – *by telephone*

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Nuzzo, Patsy	USAC
Spade, Gina – <i>by telephone</i>	FCC

**ACTION ITEMS:**

- a1. Consideration of Approval to Deny Commitments for Priority 2 Services at a Discount Rate of 90 Percent for Funding Year 2013.** Mr. Blackwell presented this item to the Committee.

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

To expedite navigation, please use the bookmarks located in the Navigation Pane.

**RESOLVED**, that the USAC Schools & Libraries Committee authorizes staff to deny, upon FCC approval, waves for Funding Year 2013 with the parameters set at 90 percent for Priority 2 services.

On a motion duly made and seconded, the Committee adjourned at 2:42 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary

**Universal Service Administrative Company  
Schools & Libraries Committee Quarterly Meeting  
Agenda**

<b>Monday, April 28, 2014 1:30 p.m. – 3:00 p.m. Eastern Time USAC Offices 2000 L Street, N.W., Suite 200 Washington, D.C. 20036</b>
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<b><u>ACTION ITEMS</u></b>
<b>a1.</b> Approval of Schools & Libraries Committee Meeting Minutes of January 27, 2014 and February 7, 2014
<b>a2.</b> (Reserved)
<b>a3.</b> Approval of 3rd Quarter 2014 and Revised 2014 Annual Schools and Libraries Support Mechanism Programmatic Budgets
<b>a4.</b> Approval of 3rd Quarter 2014 Schools and Libraries Support Mechanism Demand Projection for the May 2, 2014 FCC Filing
<b>a5.</b> Action on Two USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option</i>
<b>a6.</b> Consideration of Approval to Make Commitments for Priority One Services at a Discount Rate of 20 Percent and Above for Funding Year 2014
<b>a7.</b> Consideration of Rescission of Prior Contract Award Approval and New Contract Award for E-rate Risk Assessment Services – <i>Confidential – Executive Session Recommended</i>
<b>a8.</b> Miscellaneous. Solicit ideas for July 2014 Committee meeting agenda.

<b><u>INFORMATION ITEMS</u></b>
<b>i1.</b> Schools and Libraries Support Mechanism Update
<b>i2.</b> Miscellaneous.

**Next Scheduled USAC Schools & Libraries Committee Meeting**

<b>Monday, July 28, 2014 1:30 p.m. – 3:00 p.m. Eastern Time USAC Offices, Washington, D.C.</b>
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**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**2000 L Street, N.W., Suite 200**  
**Washington, D.C. 20036**

**SCHOOLS & LIBRARIES COMMITTEE MEETING**  
**Monday, April 28, 2014**

**MINUTES**

The quarterly meeting of the USAC Board of Directors (Board) Schools & Libraries Committee (Committee) was held at USAC's offices in Washington, D.C. on Monday, April 28, 2014. Ms. Anne Campbell, Committee Chair, called the meeting to order at 1:29 p.m. Eastern Time, with all seven Committee members present:

Belden, Richard – Chief Operating Officer and Interim Chief Executive Officer	Noriega, Raquel
Campbell, Anne – Chair	Tritt Schell, Julie
Domenech, Dr. Dan	Talbott, Dr. Brian – Vice Chair
Mason, Ken	

Other Board members and officers of the corporation present:

Blackwell, Mel – Vice President, Schools & Libraries Division  
Capozzi, David – General Counsel and Assistant Secretary  
Case, David – Vice President of Finance, Chief Financial Officer and Assistant  
Treasurer  
Feiss, Geoff – Member of the Board  
Greiner, Colleen – Vice President and Chief Information Officer  
Jacobs, Ellis – Member of the Board  
Jimenez, Jose – Member of the Board  
Jones, Rochelle – Member of the Board  
Jortner, Wayne – Member of the Board  
Lubin, Joel – Member of the Board  
Scott, Wayne – Vice President of Internal Audit  
Wein, Olivia – Member of the Board

Others present for the meeting:

<b><u>NAME</u></b>	<b><u>COMPANY</u></b>
Ayer, Catriona	USAC
Betancourt, Laura	USAC
Bethel, Tameca	USAC
Caruso, Michael	USAC
Chu, Josey	USAC
Delmar, Teleshia	USAC
Duvall, Rashann	USAC

<u>NAME</u>	<u>COMPANY</u>
Goldberger, Jill	FCC
Hughes, Jeff	USAC
Kaplan, Peter	Funds For Learning
King, Sola	USAC
Kriete, Debra	South Dakota DOE
Lacey, Kim	USAC
Lee, Brandon	USAC
Lee, James	USAC
Miller, Jack	Solix, Inc.
Ngugi, Kevin	USAC
Nuzzo, Patsy	USAC
Salvator, Charles	USAC
Schrieber, Johnnay	USAC
Shaffer, Dana – <i>by telephone</i>	FCC
Smith, Chris	USAC
Spade, Gina – <i>by telephone</i>	FCC
Trew, Anne Marie	USAC
Wilkins, Jon	FCC
Wilson, Reggie	USAC

### ACTION ITEMS

- a1. **Approval of Schools & Libraries Committee Meeting Minutes of January 27, 2014 and February 7, 2014.** On a motion duly made and seconded, the Committee approved the minutes as written of the Schools & Libraries Committee meetings of January 27, 2014 and February 7, 2014.
- a2. **Reserved.**
- a3. **Approval of 3rd Quarter 2014 and Revised 2014 Annual Schools and Libraries Support Mechanism Programmatic Budgets.** Mr. Case presented this item for discussion.

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

**RESOLVED**, that the USAC Schools & Libraries Committee approves a 3rd Quarter 2014 programmatic operating budget for the Schools and Libraries Support Mechanism of \$12.3 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee approves a 3rd Quarter 2014 capital budget for the Schools and Libraries Support Mechanism of \$1.1 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of

\$13.0 million for Schools and Libraries Support Mechanism administrative and capital costs in the required May 2, 2014 filing to the FCC on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee approves a revised annual 2014 Schools & Libraries Support Mechanism operating budget of \$50.2 million.

- a4. Approval of 3rd Quarter 2014 Schools and Libraries Support Mechanism Demand Projection for the May 2, 2014 FCC Filing.** Mr. Blackwell presented this item for discussion.

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 at its meeting on April 28, 2014, a summary of the 3rd Quarter 2014 support mechanism demand estimates, including administrative costs, hereby directs USAC management to proceed with the required May 2, 2014 filing to the FCC on behalf of the Committee. Management may make adjustments if the variance is equal to or less than \$10.0 million or may seek approval from the Schools & Libraries Committee Chair to make adjustments if the variance is greater than \$10.0 million but no more than \$15.0 million.

- a5. Action on Two USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because discussion of specific audit plans, targets, and/or techniques would constitute a *discussion of internal rules and procedures*.

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

**RESOLVED**, that the USAC Schools & Libraries Committee determines that discussion of the USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports listed in Exhibit I to this issue paper shall be conducted in *Executive Session*.

- a6. Consideration of Approval to Make Commitments for Priority One Services at a Discount Rate of 20 Percent and Above for Funding Year 2014.** Mr. Blackwell presented this item for discussion.

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

**RESOLVED**, that the USAC Schools & Libraries Committee authorizes staff to commit, upon FCC approval, waves for Funding Year 2014 with the parameters set at 20 percent and above for Priority 1 services.

- a7. Consideration of Rescission of Prior Contract Award Approval and New Contract Award for E-rate Risk Assessment Services.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended 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 resolution:

**RESOLVED**, that the USAC Schools & Libraries Committee determines that consideration of this procurement matter shall be conducted in *Executive Session*.

- a8. a8-1. Miscellaneous. Solicit Ideas for the July 2014 Committee Agenda.** Ms. Campbell reminded Committee members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Ms. Campbell, Dr. Talbott or Mr. Blackwell between quarterly meetings.

**a8-2. Discussion Jon Wilkins, FCC, Managing Director.** In accordance with the approved criteria and procedures for conducting USAC Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this matter relates to *predecisional matters pending before the FCC*.

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

**RESOLVED**, that the USAC Schools & Libraries Committee determines that discussion with Mr. Wilkins shall be conducted in *Executive Session*.

**a8-3. Schools and Libraries Information Technology Modernization.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended 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, the Committee adopted the following resolution:

**RESOLVED**, that the USAC Schools & Libraries Committee determines that discussion of the Schools and Libraries information technology modernization effort shall be conducted in *Executive Session*.

## **INFORMATION ITEMS**

**i1. Schools and Libraries Support Mechanism Update.** Mr. Blackwell presented this item for discussion, noting that:

- The Funding Year (FY) 2014 application filing window opened successfully at noon Eastern Time on Thursday, January 9, 2014 and closed at 11:59:59 p.m. Eastern Time on Wednesday, March 26, 2014. The filing window was open for 77 days. At the close of the application filing window, USAC had received 47,023 FY 2014 FCC Forms 471 requesting approximately \$4.868 billion in funding requests.
- On March 7, 2014, the FCC released order DA 14-300 approving the SL FY 2014 Program Integrity Assurance (PIA) FCC Form 471 Review Procedures, dated December 9, 2013.
- USAC released FY 2013 Wave 44 Funding Commitment Decision Letters (FCDLs) on March 26, 2014. As of March 31, 2014, funding commitments for Priority One (telecommunications and Internet access) services total approximately \$2.01 billion.
- USAC released FY 2012 Wave 81 FCDLs on March 27, 2014. As of March 31, 2014, funding commitments total approximately \$2.88 billion.
- On March 6, 2014, the FCC released Public Notice DA 14-308 seeking focused comment on three issues raised in the *E-rate Modernization Notice of Proposed Rulemaking (NPRM)* that merit further inquiry as the FCC moves towards modernizing the E-rate Program to meet schools' and libraries' broadband connectivity needs.
- On March 28, 2014, the FCC released Public Notice DA 14-426 announcing that the E-rate Program funding cap for FY 2014 is \$2.41 billion.
- USAC Information Technology (IT) and Schools and Libraries Division (SLD) staff deployed software updates to the FCC Form 471 review system during the last week of January 2014. This allows USAC to begin processing FY 2014 applications.
- On February 28, 2014, USAC announced the spring service provider trainings for FY 2014, which were held on May 8, 2014 in Tampa, FL and on May 13, 2014 in Los Angeles, CA. As in prior funding years, registration for the training sessions quickly filled to capacity.
- The Helping Applicants to Succeed (HATS) team has completed 140 HATS-type visits this year; 49 visits were conducted by telephone, one by



video conference, and 90 in targeted outreach projects. Thus far in 2014, the HATS team has initiated outreach with applicants in 26 states and Puerto Rico.

- The average time to process an invoice line was seven days in February 2014. The invoicing team processed 96.2 percent of incoming invoice lines within 30 days.
- USAC processed and completed 90 percent of appeals within 90 days of receipt during the quarter.

At 2:27 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items noted above.

### **EXECUTIVE SESSION**

**a8-2. Presentation by Jon Wilkins, FCC, Managing Director.** Ms. Campbell introduced Mr. Wilkins to the Committee and gave him the floor.

**a5. Action on Two USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** Mr. Chris Smith, Manager, Internal Audit, presented this item for discussion.

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 USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports listed in Exhibit I to this issue paper together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such reports final.

**a7. Consideration of Rescission of Prior Contract Award Approval and New Contract Award for E-rate Risk Assessment Services.** Mr. Belden presented this item for discussion.

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, consistent with any necessary FCC approvals, to procure the risk assessment consulting services described in this paper from Ernst & Young for a firm fixed price of \$1,950,000.

**a8-3. Schools and Libraries Information Technology Modernization.** Mr. Belden presented this item for discussion.

To expedite navigation, please use the bookmarks located in the Navigation Pane.

On a motion duly made and seconded, the Committee recessed from *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Campbell reported that in *Executive Session*, the Committee discussed and took action on items a5 and a7, and discussed items a8-2, and a8-3 above. On a motion duly made and seconded, the Committee adjourned at 3:55 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary

**Universal Service Administrative Company  
Schools & Libraries Committee Quarterly Meeting  
Agenda**

<b>Monday, July 28, 2014 1:00 p.m. – 3:30 p.m. Eastern Time USAC Offices 2000 L Street, N.W., Suite 200 Washington, D.C. 20036</b>
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<b><u>OPEN SESSION</u></b>
<i>Action Items</i>
<b>a1.</b> Consent Items (each available for discussion upon request): A. Approval of Schools and Libraries Committee Meeting Minutes of April 28, 2014 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i> C. Routine procurements: Deemed consideration and approval of in <i>Executive Session</i>
<b>a2.</b> Approval of 4th Quarter 2014 and Revised 2014 Annual Schools and Libraries Support Mechanism Programmatic Budgets
<b>a3.</b> Approval of 4th Quarter 2014 Schools and Libraries Support Mechanism Demand Projection for the August 1, 2014 FCC Filing
<b>a4.</b> Consideration of Approval to Deny Requests for Priority 2 Services at a Discount Rate of 90 Percent and Below for Funding Year 2014
<b>a5.</b> Action on One USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Report – <i>Executive Session Option</i>
<b>a6.</b> Miscellaneous
<i>Information Items</i>
<b>i1.</b> Schools and Libraries Support Mechanism Update
<b>i2.</b> Discussion of Schools and Libraries Program Operations Information Dashboard
<b>i3.</b> Miscellaneous. Solicit ideas for October 2014 Committee meeting agenda.

<b><u>EXECUTIVE SESSION</u></b>
<i>Action Items</i>
<i>Information Items</i>
<b>i4.</b> Schools and Libraries Program Operations Information Technology Modernization Update – <b>Confidential</b> – <i>Executive Session Recommended</i>

**Next Scheduled USAC Schools & Libraries Committee Meeting**

<b>Monday, October 27, 2014 2:30 p.m. – 4:30 p.m. USAC Offices, Washington, D.C.</b>
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**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**2000 L Street, N.W., Suite 200**  
**Washington, D.C. 20036**

**SCHOOLS & LIBRARIES COMMITTEE MEETING**  
**Monday, July 28, 2014**

**(DRAFT) MINUTES**

The quarterly meeting of the USAC Board of Directors (Board) Schools & Libraries Committee (Committee) was held at USAC's offices in Washington, D.C. on Monday, July 28, 2014. Ms. Anne Campbell, Committee Chair, called the meeting to order at 1:01 p.m. Eastern Time, with all seven Committee members present:

Belden, Richard – Chief Operating Officer and Interim Chief Executive Officer	Noriega, Raquel
Campbell, Anne – Chair	Tritt Schell, Julie
Domenech, Dr. Dan	Talbott, Dr. Brian – Vice Chair
Mason, Ken	

Other Board members and officers of the corporation present:

Blackwell, Mel – Vice President, Schools & Libraries Division  
Brisé, Ronald – Member of the Board  
Capozzi, David – General Counsel and Assistant Secretary  
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer  
Feiss, Geoff – Member of the Board  
Gillan, Joe – Member of the Board  
Jimenez, Jose – Member of the Board  
Jones, Rochelle – Member of the Board  
Jortner, Wayne – Member of the Board  
Lubin, Joel – Member of the Board  
Scott, Wayne – Vice President of Internal Audit  
Wein, Olivia – Member of the Board  
Wibberly, Kathy – Member of the Board

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Anderson, Latoya	USAC
Ayer, Catriona	USAC
Bethel, Tameca	USAC
Carpenter, Nikki-Blair	USAC
Chu, Josey	USAC
Cosson, Jim	USAC

<u>NAME</u>	<u>COMPANY</u>
Delmar, Teleshia	USAC
Dougherty, Michael	USAC
Duvall, Rashann	USAC
Frelow, Leslie	USAC
Hill, Bill	FCC
Holo, Melissa	USAC
Johnston, Anna	USAC
Jones, Frank	Solix, Inc.
Kaplan, Peter	Funds For Learning
Kraft, Mick	USAC
Kriete, Debra	South Dakota DOE
Lee, Brandon	USAC
Lendhart, Chris	E-Rate Elite
Levine, Anne	FCC
Miller, Jack	Solix, Inc.
Nuzzo, Patsy	USAC
Reed, April	USAC
Schrieber, Johnnay	USAC
Seguin, Eric	Solix, Inc.
Shaffer, Dana	FCC
Sinkfield, David	FCC
Skadin, Andy	FCC
Smith, Chris	USAC
Trew, Anne Marie	USAC
Vong, Steve	contractor to USAC
Wheeler, Chairman Tom	FCC

## OPEN SESSION

### Action Items

#### **a1. Consent Items.**

- A.** Approval of Committee meeting minutes of April 28, 2014.
- B.** Approval of moving into *Executive Session* agenda items:
  - (1) i4 – Schools and Libraries Program Operations Information Technology Modernization Update. USAC management recommends that discussion of this item be conducted in *Executive Session* because this item relates to *USAC’s procurement policies and contract administration*.

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 the Committee meeting minutes of April 28, 2014;

and discussion in *Executive Session* of the Schools and Libraries Program Operations information technology modernization update.

- a2. Approval of 4th Quarter 2014 and Revised 2014 Annual Schools and Libraries Support Mechanism Programmatic Budgets.** Mr. Case presented this item for consideration.

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

**RESOLVED**, that the USAC Schools & Libraries Committee approves a 4th Quarter 2014 programmatic operating budget for the Schools and Libraries Support Mechanism of \$13.2 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee approves a 4th Quarter 2014 capital budget for the Schools and Libraries Support Mechanism of \$0.7 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$10.9 million for Schools and Libraries Support Mechanism administrative and capital costs in the required August 1, 2014 filing to the FCC on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee approves a revised annual 2014 Schools & Libraries Support Mechanism operating budget of \$49.7 million.

- a3. Approval of 4th Quarter 2014 Schools and Libraries Support Mechanism Demand Projection for the August 1, 2014 FCC Filing.** Mr. Blackwell presented this item for consideration.

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 at its meeting on July 28, 2014, a summary of the 4th Quarter 2014 support mechanism demand estimates, including administrative costs, hereby directs USAC management to proceed with the required August 1, 2014 filing to the FCC on behalf of the Committee. Management may make adjustments if the variance is equal to or less than \$10.0 million or may seek approval from the Schools & Libraries Committee Chair to make adjustments if the variance is greater than \$10.0 million but not more than \$15.0 million.

- a4. Consideration of Approval to Deny Requests for Priority 2 Services at a Discount Rate of 90 Percent and Below for Funding Year 2014.** Mr. Blackwell presented this item for consideration.

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

**RESOLVED**, that the USAC Schools & Libraries Committee authorizes staff to deny, upon FCC approval, waves for Funding Year 2014 with the parameters set at 90 percent and below for Priority 2 services.

- a5. Action on One USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Report.** Mr. Chris Smith, Manager, Internal Audit, presented this item for consideration.

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

**RESOLVED**, that the USAC Schools & Libraries Committee, having reviewed the USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Report labeled SL2013SP012 together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such report final.

### **Information Items**

- ii. Schools and Libraries Support Mechanism Update.** Mr. Blackwell presented this item for discussion, noting that:

- USAC released the first Funding Year (FY) 2014 wave of Funding Commitment Decision Letters (FCDLs) on May 15, 2014. This wave contained over \$607 million in commitments for approved telecommunications services and Internet access requests at all discount levels for more than 14,600 applications.
- On April 17, 2014, USAC submitted a \$4.825 billion demand estimate to the FCC.
- On May 2, 2014, the FCC released Public Notice DA 14-609 announcing that \$200 million in unused funds will be carried forward, in excess of the annual cap, to ensure funding is available for all eligible Priority One funding requests received from schools and libraries in FY 2014.
- USAC released FY 2013 Wave 55 FCDLs on June 19, 2014. As of June 30, 2014, funding commitments total approximately \$2.08 billion.
- USAC released FY 2012 Wave 86 FCDLs on May 30, 2014. As of June 30, 2014, funding commitments total approximately \$2.87 billion.

To expedite navigation, please use the bookmarks located in the Navigation Pane.

- On April 14, 2014, the FCC released Public Notice DA 14-495 announcing the E-rate Modernization Workshop. The FCC hosted the workshop on May 6, 2014.
- USAC Internal Audit Division (IAD) staff is performing Beneficiary and Contributor Audit Program (BCAP) audits of SL Program beneficiaries and service providers. One audit will be presented to the Committee at the July meeting.
- USAC Information Technology (IT) and Schools and Libraries Division (SLD) staff deployed software updates to run the first wave for FY 2014 on May 6, 2014.
- USAC staff has been working with FCC staff to plan and schedule the SL IT Modernization project. A more detailed update will be presented at the July Committee meeting.
- SLD staff conducted two successful one-day spring service provider trainings in Tampa, FL on May 8, 2014 and Los Angeles, CA on May 13, 2014.
- USAC opened registration for the fall applicant trainings for FY 2015 on June 10, 2014. The eight one-day training sessions are scheduled to be held in the following cities: Washington, DC; Philadelphia, PA; Minneapolis, MN; New Orleans, LA; Portland, OR; Los Angeles, CA; St. Louis, MO; and Orlando, FL. A total of over 450 program participants registered on the first day of registration.
- The Helping Applicants to Succeed (HATS) team has completed 364 HATS-type visits this year with 63 visits conducted by telephone, one by video conference and 300 in targeted outreach projects. Thus far in 2014, the HATS team has initiated outreach with applicants in 50 states, Puerto Rico and Saipan.
- The average time to process an invoice line in May 2014 was eight days. The invoicing team processed 97.2 percent of incoming invoice lines within 30 days.
- USAC staff exceeded appeals processing goals this quarter with 96.4 percent of appeals completed in the quarter being processed within 90 days of receipt.

**i2. Discussion of Schools and Libraries Program Operations Information Dashboard.** Mr. Blackwell presented this item for discussion.

At 2:12 p.m. Eastern Time, the Committee moved into *Executive Session* for the purpose of discussing the confidential items noted above.



## **EXECUTIVE SESSION**

### **Information Items**

- i3. Discussion with FCC Chairman Wheeler and FCC Managing Director, Jon Wilkins.**
  
- i4. Schools and Libraries Program Operations Information Technology Modernization Update.** Mr. Belden presented this item for discussion.

On a motion duly made and seconded, the Committee recessed from *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Campbell reported that in *Executive Session*, the Committee discussed items i3 and i4 above. On a motion duly made and seconded, the Committee adjourned at 3:55 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary

**Universal Service Administrative Company  
Schools & Libraries Committee Quarterly Meeting  
Agenda**

**Tuesday, July 29, 2014  
2:00 p.m. – 2:30 p.m. Eastern Time  
USAC Offices  
2000 L Street, N.W., Suite 200  
Washington, D.C. 20036**

**EXECUTIVE SESSION**

***Action Items***

a1. Approval to award contracts for Temporary IT Labor to Support Implementation of E-rate Modernization Order

**Next Scheduled USAC Schools & Libraries Committee Meeting**

**Monday, October 27, 2014  
2:30 p.m. – 4:30 p.m.  
USAC Offices, Washington, D.C.**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**2000 L Street, N.W., Suite 200**  
**Washington, D.C. 20036**

**SCHOOLS & LIBRARIES COMMITTEE MEETING**  
**Tuesday, July 29, 2014**

**MINUTES**

A meeting of the USAC Board of Directors (Board) Schools & Libraries Committee (Committee) was held at USAC's offices in Washington, D.C. on Tuesday, July 29, 2014. Ms. Anne Campbell, Committee Chair, called the meeting to order at 3:24 p.m. Eastern Time, with six of the seven Committee members present:

Belden, Richard – Chief Operating Officer and Interim Chief Executive Officer	Mason, Ken
Campbell, Anne – Chair	Noriega, Raquel
Domenech, Dr. Dan	Talbott, Dr. Brian – Vice Chair

Ms. Julie Tritt Schell joined the meeting at 3:26 p.m.

Other Board members and officers of the corporation present:

Capozzi, David – General Counsel and Assistant Secretary  
Gillan, Joe – Member of the Board  
Jimenez, Jose – Member of the Board  
Jones, Rochelle – Member of the Board  
Jortner, Wayne – Member of the Board  
Lubin, Joel – Member of the Board  
Wibberly, Kathy – Member of the Board  
Wein, Olivia – Member of the Board

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Nuzzo, Patsy	USAC

**EXECUTIVE SESSION**

**Action Items**

- a1. Approval to award contracts for Temporary IT Labor to Support Implementation of E-rate Modernization Order.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be

To expedite navigation, please use the bookmarks located in the Navigation Pane.

conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

**RESOLVED**, that the USAC Schools & Libraries Committee determines that consideration of this procurement matter shall be conducted in *Executive Session*.

At 3:25 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential item noted above.

**a1. Approval to award contracts for Temporary IT Labor to Support Implementation of E-rate Modernization Order.** Mr. Belden presented this item for consideration.

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

**RESOLVED**, that the USAC Schools & Libraries Committee, having reviewed the recommendation of USAC management, hereby authorizes management, subject to obtaining any necessary FCC approvals, to award a change notice to Solix for a not-to-exceed amount of \$384,000 to provide temporary IT support services; and

**RESOLVED FURTHER**, that the Schools & Libraries Committee hereby authorizes management, subject to obtaining any necessary FCC approvals, to award a contract to Contraqer, Inc. in an amount not-to-exceed \$250,000 to provide temporary IT supports.

On a motion duly made and seconded, the Committee recessed from *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Campbell reported that in *Executive Session*, the Committee discussed and took action on item a1 above. On a motion duly made and seconded, the Committee adjourned at 3:38 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary

**Universal Service Administrative Company  
Schools & Libraries Committee Quarterly Meeting  
Agenda**

<p><b>Monday, October 27, 2014</b> <b>3:00 p.m. – 5:00 p.m. Eastern Time</b> <b>USAC Offices</b> <b>2000 L Street, N.W., Suite 200</b> <b>Washington, D.C. 20036</b></p>
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<p><b><u>OPEN SESSION</u></b></p>
<p><i>Action Items</i></p>
<p><b>a1.</b> Consent Items (each available for discussion upon request):     A. Approval of Schools and Libraries Committee Meeting Minutes of July 28, 2014 and July 29, 2014.     B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>.     C. Routine procurements: Deemed consideration and approval of in <i>Executive Session</i>.</p>
<p><b>a2.</b> Approval of 1st Quarter 2015 Schools and Libraries Support Mechanism Programmatic Budget and Information on the Estimated 2015 Annual Budget</p>
<p><b>a3.</b> Approval of 1st Quarter 2015 Schools and Libraries Support Mechanism Demand Projection for the October 31, 2014 FCC Filing</p>
<p><b>a4.</b> Action on Three USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option</i></p>
<p><b>a5.</b> Consideration of Funding Year 2015 Filing Window Dates</p>
<p><b>a6.</b> Miscellaneous</p>
<p><i>Information Items</i></p>
<p><b>i1.</b> Schools and Libraries Support Mechanism Update</p>
<p><b>i2.</b> Discussion of Schools and Libraries Program Operations Information Dashboard</p>
<p><b>i3.</b> Miscellaneous. Solicit ideas for January 2015 Committee meeting agenda.</p>

<p><b><u>EXECUTIVE SESSION</u></b></p>
<p><i>Action Items</i></p>
<p><b>a7.</b> Consideration of Modifications to Contract Awards for Information Technology Temporary Labor to Support E-rate Modernization – <b>Confidential</b> – <i>Executive Session Recommended</i></p>
<p><b>a8.</b> Consideration of Modification to Contract Award for E-rate Program Operations Support Services – <b>Confidential</b> – <i>Executive Session Recommended</i></p>
<p><i>Information Items</i></p>
<p><b>i4.</b> Schools and Libraries Program Operations Information Technology Modernization Update – <b>Confidential</b> – <i>Executive Session Recommended</i></p>

To expedite navigation, please use the bookmarks located in the Navigation Pane.

**Next Scheduled USAC Schools & Libraries Committee Meeting**

**Monday, January 26, 2015**  
**2:30 p.m. – 4:30 p.m. Eastern Time**  
**USAC Offices, Washington, D.C.**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**2000 L Street, N.W., Suite 200**  
**Washington, D.C. 20036**

**SCHOOLS & LIBRARIES COMMITTEE MEETING**  
**Monday, October 27, 2014**

**MINUTES**

The quarterly meeting of the USAC Board of Directors (Board) Schools & Libraries Committee (Committee) was held at USAC's offices in Washington, D.C. on Monday, October 27, 2014. Ms. Anne Campbell, Committee Chair, called the meeting to order at 3:04 p.m. Eastern Time, with five of the seven Committee members present:

Campbell, Anne – Chair	Tritt Schell, Julie
Henderson, Chris – Chief Executive Officer	Talbott, Dr. Brian – Vice Chair
Noriega, Raquel	

Members of the Board not present:

Domenech, Dr. Dan  
Mason, Ken

Other Board members and officers of the corporation present:

Belden, Richard – Chief Operating Officer  
Blackwell, Mel – Vice President, Schools & Libraries Division  
Brisé, Ronald – Member of the Board  
Brown, Eric – Member of the Board  
Capozzi, David – General Counsel and Assistant Secretary  
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer  
Feiss, Geoff – Member of the Board  
Jimenez, Jose – Member of the Board  
Jones, Rochelle – Member of the Board  
Jortner, Wayne – Member of the Board  
Scott, Wayne – Vice President of Internal Audit  
Wibberly, Kathy – Member of the Board

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Anderson, Latoya	USAC
Ayer, Catriona	USAC
Betancourt, Laura	USAC
Bethel, Tameca	USAC

<u>NAME</u>	<u>COMPANY</u>
Chu, Josey	USAC
Delmar, Teleshia	USAC
Dougherty, Michael	USAC
Duvall, Rashann	USAC
Goldberger, Jill	FCC
Hutchinson, Kyle	USAC
Johnston, Anna	USAC
Kaplan, Peter	Funds For Learning
Kraft, Mick	USAC
Kriete, Debra	South Dakota DOE
Lee, Brandon	USAC
McBride, Latisa	USAC
Miller, Jack	Solix, Inc.
Morning, Kim	USAC
Ngugi, Kevin	USAC
Nuzzo, Patsy	USAC
Rogers, Camelia	KSLLC
Salvatore, Charles	USAC
Schrieber, Johnnay	USAC
Shaffer, Dana - <i>by telephone</i>	FCC
Smith, Chris	USAC
Spade, Gina - <i>by telephone</i>	FCC
Trew, Anne Marie	USAC
Wilson, Reggie	USAC

## OPEN SESSION

### Action Items

#### **a1. Consent Items.**

- A.** Approval of Committee meeting minutes of July 28, 2014 and July 29, 2014.
- B.** Approval of moving into *Executive Session* agenda items:
  - (1) a7 – Consideration of modifications to contract awards for temporary information technology labor to support implementation of the E-rate modernization order. USAC management recommended that discussion of this item be conducted in *Executive Session* because this item relates to *USAC's procurement policies and contract administration*.
  - (2) a8 – Consideration of modification to contract award for E-rate program operations support services. USAC management recommended that discussion of this item be conducted in *Executive Session* because this item relates to *USAC's procurement policies and contract administration*.



- (3) i4 – Schools and Libraries Program Operations Information Technology Modernization Update. USAC management recommended that discussion of this item be conducted in *Executive Session* because this item relates to *USAC's procurement policies and contract administration*.

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 the Committee meeting minutes of July 28, 2014 and July 29, 2014; and discussion in *Executive Session* of contract award modifications for temporary information technology labor to support implementation of the E-rate modernization order, modification of a contract award to support E-rate program operations support services, and the Schools and Libraries Program Operations information technology modernization update.

- a2. Approval of 1st Quarter 2015 Schools and Libraries Support Mechanism Programmatic Budget and Information on the Estimated 2015 Annual Budget.** Mr. Case presented this item for consideration.

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 1st Quarter 2015 programmatic operating budget for the Schools and Libraries Support Mechanism of \$13.6 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee approves a 1st Quarter 2015 capital budget for the Schools and Libraries Support Mechanism of \$2.5 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$16.1 million for Schools and Libraries Support Mechanism administrative and capital costs in the required October 31, 2014 filing to the FCC on behalf of the Committee.

- a3. Approval of 1st Quarter 2015 Schools and Libraries Support Mechanism Demand Projection for the October 31, 2014 FCC Filing.** Mr. Blackwell presented this item for consideration.

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 at its meeting on October 27, 2014, a summary

of the 1st Quarter 2014 support mechanism demand estimates, including administrative costs, hereby directs USAC management to proceed with the required October 31, 2014 filing to the FCC on behalf of the Committee. Management may make adjustments if the variance is equal to or less than \$10.0 million or may seek approval from the Schools & Libraries Committee Chair to make adjustments if the variance is greater than \$10.0 million but no more than \$15.0 million.

- a4. Action on Three USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** Mr. Chris Smith, Manager, Internal Audit, presented this item for consideration.

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 USAC Internal Audit Division Schools and Libraries Support Mechanism beneficiary audit reports listed in Exhibit I to the issue paper together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such reports final.

- a5. Consideration of Funding Year 2015 Filing Window Dates.** Mr. Blackwell presented this item for consideration.

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

**RESOLVED**, that the USAC Schools & Libraries Committee accepts the recommendation of USAC management to open the Funding Year 2015 filing window on or after January 7, 2015, and close the Funding Year 2015 filing window no later than March 31, 2015, subject to the requirements of Section 54.522 of the Commission's rules; and

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

### **Information Items**

- i1. Schools and Libraries Support Mechanism Update.** Mr. Blackwell presented this item for discussion, noting that:

- On August 4, 2014, the FCC released Public Notice (PN) DA 14-1130 seeking comment on a draft Eligible Services List (ESL) for Funding Year (FY) 2015. The draft ESL released with the PN implements the changes required by the *E-rate Modernization Order and Further Notice of Proposed Rulemaking (FNPRM)* (FCC 14-99).

To expedite navigation, please use the bookmarks located in the Navigation Pane.

- USAC released FY 2014 Wave 20 Funding Commitment Decision Letters (FCDLs) on September 24, 2014. As of September 30, 2014, funding commitments total approximately \$1.92 billion.
- USAC released FY 2013 Wave 66 FCDLs on September 25, 2014. As of September 30, 2014, funding commitments total approximately \$2.12 billion.
- On July 23, 2014, the FCC released the *E-rate Modernization Order and FNPRM* (FCC 14-99). The FCC adopted the proposal made in the *E-rate Modernization Notice of Proposed Rulemaking (NPRM)* to establish clear goals and measures for the program.
- On August 12, 2014, the FCC issued PN DA 14-1177 releasing two items designed to provide a concise view of a portion of the large amount of data in the *E-rate Modernization* proceeding.
- USAC Internal Audit Division (IAD) staff is performing Beneficiary and Contributor Audit Program (BCAP) audits of SL Program beneficiaries and service providers. Three audits will be presented to the Committee at the October meeting.
- USAC Information Technology (IT) and Schools and Libraries Division (SLD) staff deployed software updates to run the first appeals wave for FY 2014.
- USAC staff began the eight one-day fall applicant trainings scheduled for FY 2015. The training sessions held in Washington, DC; Philadelphia, PA; Minneapolis, MN; New Orleans, LA; Portland, OR; Los Angeles, CA; St. Louis, MO; and Orlando, FL.
- The Helping Applicants to Succeed (HATS) team has completed 365 HATS-type visits this year; 64 visits were conducted by telephone, one by video conference and 300 in targeted outreach projects. To date in 2014, the HATS team initiated outreach with applicants in all 50 states, Puerto Rico and Saipan.
- The average time to process an invoice line was seven days in August. The invoicing team processed 97 percent of incoming invoice lines within 30 days.
- USAC staff exceeded appeals processing goals this quarter with 76.9 percent of appeals completed in the quarter being processed within 90 days of receipt.

**i2. Discussion of Schools and Libraries Program Operations Information Dashboard.** Mr. Blackwell presented this item for discussion.

At 4:19 p.m. Eastern Time, the Committee moved into *Executive Session* for the purpose of discussing the confidential items noted above.

**EXECUTIVE SESSION**

**Action Items**

**a7. Consideration of Modifications to Contract Awards for Information Technology Temporary Labor and Support E-rate Modernization.** Mr. Belden presented this item for discussion.

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

**RESOLVED**, that the USAC Schools & Libraries Committee, having reviewed the recommendation of USAC management, hereby authorizes management, subject to obtaining any necessary FCC approvals, to modify the contract previously awarded to Contraqer and increase the not-to-exceed amount to \$385,000 to provide temporary IT support services associated with the development of the new Form 471; and

**RESOLVED FURTHER**, that the Schools & Libraries Committee hereby authorizes management, subject to obtaining any necessary FCC approvals, to modify the contract previously awarded to Mr. Stephen Vong and increase the not-to-exceed amount to \$132,000 to provide temporary IT support associated with the development of a data reference model.

**a8. Consideration of Modification to Contract Award for E-rate Program Operations Support Services.** Mr. Belden presented this item for discussion.

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 to issue a change notice to Solix in an amount not to exceed \$7,500,000 to cover the increased costs associated with implementing the E-rate Modernization Order.

**Information Items**

**i4. Schools and Libraries Program Operations Information Technology Modernization Update.** Mr. Belden presented this item for discussion.

**i5. Urban Rural Definition.** Mr. Blackwell presented this item for discussion .

**i6. Data Plans.** Mr. Blackwell presented this item for discussion

On a motion duly made and seconded, the Committee recessed from *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Campbell reported that in *Executive Session*, the Committee took action on items a7 and a8 and discussed items i4, i5 and i6 above. On a motion duly made and seconded, the Committee adjourned at 5:31 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary