

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

<b>Monday, October 28, 2013 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 July 29, 2013
<b>a2.</b> Approval of 1st Quarter 2014 Schools and Libraries Support Mechanism Programmatic Budget and Information on the Estimated 2014 Annual Budget
<b>a3.</b> Approval of 1st Quarter 2014 Schools and Libraries Support Mechanism Demand Projection for the November 1, 2013 FCC Filing
<b>a4.</b> Action on One USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Report – <i>Executive Session Option</i>
<b>a5.</b> Consideration of Funding Year 2014 Filing Window Dates
<b>a6.</b> Consideration of Approval to Deny Requests for Priority 2 Services at a Discount Rate of 89 Percent and Below for Funding Year 2013
<b>a7.</b> Miscellaneous. Solicit ideas for January 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, January 27, 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, October 28, 2013**

**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, October 28, 2013. Ms. Anne Campbell, Committee Chair, called the meeting to order at 1:30 p.m. Eastern Time, with five of the seven Committee members present:

Barash, Scott – Acting Chief Executive Officer	Noriega, Raquel
Campbell, Anne – Chair	Schell, Julie Tritt
Mason, Ken	

Members of the Committee not present:

Domenech, Dr. Dan  
Talbott, Dr. Brian – Vice Chair

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 – Acting 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  
Greiner, Colleen – Vice President and Chief Information Officer  
Jimenez, Jose – Member of the Board  
Scott, Wayne – Vice President of Internal Audit  
Wein, Olivia – Member of the Board  
Wibberly, Dr. Kathy – Member of the Board

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Ayer, Catriona	USAC
Beaver, Tracey	USAC
Betancourt, Laura	USAC
Carpenter, Nikki-Blair	USAC

<u>NAME</u>	<u>COMPANY</u>
Caruso, Michael	USAC
Chu, Josie	USAC
Cruzan, Cathy	Funds For Learning
Delmar, Teleshia	USAC
Duval, Rashann	USAC
Frelow, Leslie	USAC
Hughes, Jeff	USAC
Hughet, Pam	USAC
Iversen, Eric	USAC
Jones, Frank T.	Solix
Kaplan, Peter	Funds For Learning
Kriete, Debra	South Dakota DOE
Lee, Brandon	USAC
Mann, Connie	USAC
Nuzzo, Patsy	USAC
Schrieber, Johnnay	USAC
Smith, Chris	USAC
Spade, Gina – <i>by telephone</i>	FCC
Stankus, Paul	CSM
Visser Marijke	ALA
Wilson, Reggie	USAC
Zhao, Hang	USAC

**ACTION ITEMS:**

- a1. Approval of Schools & Libraries Committee Meeting Minutes of July 29, 2013.** On a motion duly made and seconded, the Committee approved the minutes as written of the Schools & Libraries Committee meeting of July 29, 2013.
- a2. Approval of 1st Quarter 2014 Schools and Libraries Support Mechanism Programmatic Budget and Information on the Estimated 2014 Annual Budget.** 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 1st Quarter 2014 programmatic operating budget for the Schools and Libraries Support Mechanism of \$12.9 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee approves a 1st 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

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\$14.0 million for Schools and Libraries Support Mechanism administrative and capital costs in the required November 1, 2013 filing to the FCC on behalf of the Committee.

- a3. Approval of 1st Quarter 2014 Schools and Libraries Support Mechanism Demand Projection for the November 1, 2013 FCC Filing.** Mr. Blackwell 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 at its meeting on October 28, 2013, a summary of the 1st Quarter 2014 support mechanism demand estimates, including administrative costs, hereby directs USAC management to proceed with the required November 1, 2013 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. 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 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 report labeled SL2012BE022 together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such report final.

- a5. Consideration of Funding Year 2014 Filing Window Dates.** Mr. Blackwell 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 accepts the recommendation of USAC management to open the Funding Year 2014 filing window on or after January 8, 2014, and close the Funding Year 2014 filing window commensurate with past practice, 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.

- a6. Consideration of Approval to Deny Requests for Priority 2 Services at a Discount Rate of 89 Percent and Below for Funding Year 2013.** 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 deny, upon FCC approval, waves for Funding Year 2013 with the parameters set at 89 percent and below for Priority 2 services.

- a7. Miscellaneous. Solicit Ideas for the January 2014 Committee Agenda.** Ms. Campbell reminded members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Ms. Campbell, Mr. Barash 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 July 3, 2013, the FCC released Public Notice DA 13-1513 proposing and seeking comment on the draft Eligible Services List (ESL) for Funding Year (FY) 2014.
  - USAC released FY 2013 Wave 19 Funding Commitment Decision Letters (FCDLs) on September 25, 2013. As of September 30, 2013, funding commitments total approximately \$785 million.
  - USAC released FY 2012 Wave 61 FCDLs on September 26, 2013. As of September 30, 2013, funding commitments total approximately \$2.77 billion.
  - On July 17, 2013, the FCC released Public Notice DA 13-1590 seeking comment on proposed revisions to the FCC Forms 470 and 471.
  - On July 17, 2013, the Office of Management and Budget (OMB) approved the FCC mandated changes to the FCC Forms 472 and 474.
  - On July 23, 2013, the FCC released Notice of Proposed Rulemaking FCC 13-100 seeking comment on modernizing the E-rate Program.
  - On July 24, 2013, the FCC released Public Notice DA 13-1636 seeking comment on proposed revisions to FCC Forms 479 and 486 and accompanying instructions.
  - On August 19, 2013 the FCC released Public Notice DA 13-1777 announcing the availability of the revised FCC Form 498.

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.
- USAC Information Technology (IT) and Schools and Libraries Program staff successfully updated and deployed software changes for the FCC mandated revisions to the FCC Forms 472 and 474.
- USAC staff conducted eight one-day fall applicant trainings scheduled for FY 2014. The training session for Washington, DC was held on September 30 and the remaining training sessions were scheduled to be held in the following cities: Newark, NJ; Minneapolis, MN; St. Louis, MO; Atlanta, GA; Houston, TX; Los Angeles, CA; and Portland, OR.
- The Helping Applicants to Succeed (HATS) team has completed 435 HATS-type visits this year with 47 visits conducted in person, 160 by telephone, and 228 in targeted outreach projects. Thus far in 2013, the HATS team has initiated outreach with applicants in 47 states, Puerto Rico, Guam and the Northern Mariana Islands.
- The average time to process an invoice line was six days in August 2013. The invoicing team processed 95.6 percent of incoming invoice lines within 30 days.
- USAC processed and completed 82.1 percent of appeals within 90 days of receipt during the quarter.

On a motion duly made and seconded, the Committee adjourned at 2:54 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary

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

<b>Monday, January 28, 2013 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>
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|---|
| <b>a1.</b> Approval of Schools & Libraries Committee Meeting Minutes of October 29, 2012  |
| <b>a2.</b> Recommendation for Annual Election of Committee Chair and Vice Chair   |
| <b>a3.</b> Approval of 2nd Quarter 2013 and 2013 Annual Schools and Libraries Support Mechanism Programmatic Budgets                                      |
| <b>a4.</b> Approval of 2nd Quarter 2013 Schools and Libraries Support Mechanism Demand Projection for the January 31, 2013 FCC Filing                     |
| <b>a5.</b> Action on Six USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option</i> |
| <b>a6.</b> Miscellaneous. Solicit ideas for April 2013 Committee meeting agenda.  |

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

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

<b>Monday, April 22, 2013 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 28, 2013**

**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 28, 2013. At the request of Ms. Anne Campbell, Committee Chair, Dr. Brian Talbott called the meeting to order at 1:30 p.m. Eastern Time, with five of the six Committee members present (there is one vacancy):

Abshire, Dr. Sheryl	McClure, David – <i>by telephone</i>
Barash, Scott – Acting Chief Executive Officer	Talbott, Dr. Brian
Campbell, Anne – Chair – <i>by telephone</i>	

Members of the Committee not present:

Ridley, Carolyn

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

Blackwell, Mel – Vice President, Schools & Libraries Division – *by telephone*  
Capozzi, David – Acting 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  
Scott, Wayne – Vice President of Internal Audit

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Anderson, Latoya	USAC
Ayer, Catriona	USAC
Beard, Jay	USAC
Betancourt, Laura	USAC
Caruso, Michael	USAC
Delmar, Teleshia	USAC
Duval, Rashann	USAC
Falkowitz, Ed	USAC
Frelow, Leslie	USAC
Guinan, Gabriela	USAC
Harrington, John	Funds For Learning



<u>NAME</u>	<u>COMPANY</u>
Hughes, Jeff	USAC
Jacobs, David	USAC
Johnson, Sharen	USAC
Kaplan, Peter	Funds For Learning
Kraft, Mick	USAC
McBride, Latisa	USAC
McGillin, Carroll	Cisco
Miller, Jack	Solix
Minchew, Kathy	Senture
Molson, Adam	USAC
Nuzzo, Patsy	USAC
Parry, John	Solix
Schrieber, Johnnay	USAC
Short, Don	USAC
Skadin, Andy	FCC
Smith, Chris	USAC
Spade, Gina - <i>by telephone</i>	FCC
Wilson, Reggie	USAC

**ACTION ITEMS:**

- a1. **Approval of Schools & Libraries Committee Meeting Minutes of October 29, 2012.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Schools & Libraries Committee meeting of October 29, 2012.
- a2. **Recommendation for Annual Election of Committee Chair and Vice Chair.** Dr. Talbott indicated that the Committee will defer making recommendations for the Committee Chair and Vice Chair positions because the FCC Chair has not yet selected Board members to fill vacant Board seats and seats of existing Board members whose terms have expired but are continuing to serve until they are renominated or a replacement is selected.
- a3. **Approval of 2nd Quarter 2013 and 2013 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 resolutions:

**RESOLVED**, that the USAC Schools & Libraries Committee approves a 2nd Quarter 2013 operating budget for the Schools and Libraries Support Mechanism of \$13.6 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee approves a 2nd Quarter 2013 capital budget for the Schools and Libraries Support Mechanism of \$3.3 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$16.9 million for Schools and Libraries Support Mechanism administrative expenses in the required January 31, 2013 filing to the FCC on behalf of the Committee; and .

**RESOLVED FURTHER**, that the USAC Schools and Libraries Committee approves an annual 2013 Schools and Libraries Support Mechanism operating budget of \$51.6 million; and

**RESOLVED FURTHER**, that the USAC Schools and Libraries Committee approves an annual 2013 Schools and Libraries Support Mechanism capital budget of \$13.1 million.

- a4. Approval of 2nd Quarter 2013 Schools and Libraries Support Mechanism Demand Projection for the January 31, 2013 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 28, 2013, a summary of the 2nd Quarter 2013 support mechanism demand estimates, including administrative costs, hereby directs USAC management to proceed with the required January 31, 2013 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 Six 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.

- a6. Miscellaneous. Solicit Ideas for the April 2013 Committee Agenda.** Dr. Talbott reminded members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Ms. Campbell, Mr. Barash or Mr. Blackwell between quarterly meetings.

**INFORMATION ITEMS:**

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

- The Funding Year (FY) 2013 application filing window opened successfully at noon Eastern Time on December 12, 2012 and will close at 11:59 p.m. Eastern Time on March 14, 2013. The application filing window will be open for 93 days.
- USAC management provided the FY 2013 Schools and Libraries Program Integrity Assurance (PIA) FCC Form 471 Review Procedures to the FCC for review and approval on November 13, 2012.
- USAC released FY 2012 Wave 23 Funding Commitment Decision Letters (FCDLs) on December 26, 2012. As of December 31, 2012, funding commitments total approximately \$1.66 billion.
- USAC released FY 2011 Wave 74 FCDLs on December 27, 2012. As of December 31, 2012, funding commitments total approximately \$2.50 billion.
- USAC released FY 2010 Wave 106 FCDLs on December 27, 2012. As of December 31, 2012, funding commitments total approximately \$3.10 billion.
- Due to the impact of Hurricane Sandy, USAC extended the deadline for FCC Form 486 filings for FY 2012 to January 28, 2013. USAC also extended the deadline for recurring services delivered for FY 2011 to January 28, 2013.
- The USAC Internal Audit Division (IAD) staff is performing Beneficiary and Contributor Audit Program (BCAP) audits of Schools and Libraries Program beneficiaries. Six audits are being presented to the Committee at the January meeting.
- USAC Information Technology (IT) Division staff prepared program operations support systems for the FY 2013 application filing window.
- USAC staff conducted eight successful one-day fall applicant trainings for FY 2013. The sessions were held in the following cities: Washington, DC; Dallas, TX; St. Louis, MO; Atlanta, GA; Newark, NJ; Minneapolis, MN; Portland, OR; and Los Angeles, CA. A record number of 1,504 participants attended the trainings.
- The Helping Applicants to Succeed (HATS) program has completed its fourth year of being managed in-house by USAC. In 2012, the Schools and Libraries Division conducted 797 HATS-type visits; 160 visits were

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conducted in person, 132 by telephone and videoconference and, 505 in targeted outreach projects. The HATS team initiated outreach to applicants in 50 states and Washington, DC.

- USAC has developed a Schools and Libraries Program outreach plan for 2013, presenting proposed activities to educate and communicate with program audiences about how to understand and participate successfully in the Schools and Libraries Program.
- The average time to process an invoice line was six days in November 2012. The invoicing team processed 81.8 percent of incoming invoice lines within 30 days. The invoice processing schedule has been altered by Hurricane Sandy delaying the ability of affected schools and libraries to submit program filings.
- USAC staff exceeded appeals processing goals this quarter with 88.9 percent of appeals completed in the quarter being processed within 90 days of receipt. As in the prior quarter, FCC remand of appeals to USAC resulted in a significant increase in the number of appeals received by USAC.

On a motion duly made and seconded, the Committee adjourned at 2:00 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary

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

<b>Monday, April 22, 2013 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 28, 2013
<b>a2.</b> Recommendation for Annual Election of Committee Chair and Vice Chair
<b>a3.</b> Approval of 3rd Quarter 2013 Schools and Libraries Support Mechanism Programmatic Budget
<b>a4.</b> Approval of 3rd Quarter 2013 Schools and Libraries Support Mechanism Demand Projection for the May 2, 2013 FCC Filing
<b>a5.</b> Action on Eight 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 1 Services at a Discount Rate of 20 Percent and Above for Funding Year 2013
<b>a7.</b> Consideration of Approval to Deny Requests for Priority 2 Services at a Discount Rate of 80 Percent and Below for Funding Year 2013
<b>a8.</b> Miscellaneous. Solicit ideas for July 2013 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 22, 2013 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 22, 2013**

**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, April 22, 2013. At the request of Ms. Anne Campbell, Committee Chair, Dr. Brian Talbott called the meeting to order at 1:30 p.m. Eastern Time, with five of the six Committee members present (there is one vacancy):

Abshire, Dr. Sheryl	Ridley, Carolyn – <i>by telephone</i>
Barash, Scott – Acting Chief Executive Officer	Talbott, Dr. Brian
Campbell, Anne – Chair – <i>by telephone</i>	

Mr. David McClure joined the meeting by telephone at 1:32 p.m. Eastern. He did not vote on or participate in discussion of items a1 and a2.

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  
Capozzi, David – Acting General Counsel and Assistant Secretary  
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer  
Gillan, Joe – Member of the Board  
Greiner, Colleen – Vice President and Chief Information Officer  
Jimenez, Jose – Member of the Board  
Scott, Wayne – Vice President of Internal Audit

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Anderson, Latoya	USAC
Ayer, Catriona	USAC
Betancourt, Laura	USAC
Caruso, Michael	USAC
Chu, Josie	USAC
Cruzan, Cathy	Funds For Learning
Delmar, Teleshia	USAC
Duval, Rashann	USAC
Falkowitz, Ed	USAC
Frelow, Leslie	USAC

<u>NAME</u>	<u>COMPANY</u>
Guinan, Gabriela	USAC
Harrington, John	Funds For Learning
Hughes, Jeff	USAC
Iversen, Eric	USAC
Jacobs, David	USAC
Kaplan, Peter	Funds For Learning
Lee, Brandon	USAC
Miller, Jack	Solix
Molson, Adam	USAC
Nuzzo, Patsy	USAC
Parry, John	Solix
Schrieber, Johnnay	USAC
Short, Don	USAC
Smith, Chris	USAC
Spade, Gina - <i>by telephone</i>	FCC
Stankus, Paul	CMS
Trew, Anne Marie	USAC
Wilson, Reggie	USAC
Zhao, Hang	USAC

**ACTION ITEMS:**

- a1. Approval of Schools & Libraries Committee Meeting Minutes of January 28, 2013.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Schools & Libraries Committee meeting of January 28, 2013.
- a2. Recommendation for Annual Election of Committee Chair and Vice Chair.** Dr. Talbott indicated that the Committee will defer making recommendations for the Committee Chair and Vice Chair positions because the FCC Chair has not yet selected Board members to fill vacant Board seats and seats of existing Board members whose terms have expired but are continuing to serve until they are renominated or a replacement is selected.
- a3. Approval of 3rd Quarter 2013 Schools and Libraries Support Mechanism Programmatic Budget.** 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 3rd Quarter 2013 programmatic operating budget for the Schools and Libraries Support Mechanism of \$12.7 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee approves a 3rd Quarter 2013 capital budget for the Schools and Libraries Support Mechanism of \$3.2 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$15.9 million for Schools and Libraries Support Mechanism administrative expenses in the required May 2, 2013 filing to the FCC on behalf of the Committee.

- a4. Approval of 3rd Quarter 2013 Schools and Libraries Support Mechanism Demand Projection for the May 2, 2013 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 22, 2013, a summary of the 3rd Quarter 2013 support mechanism demand estimates, including administrative costs, hereby directs USAC management to proceed with the required May 2, 2013 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 Eight 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.

- a6. Consideration of Approval to Make Commitments for Priority 1 Services at a Discount Rate of 20 Percent and Above for Funding Year 2013.** 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 FY 2013 with the parameters set at 20 percent and above for Priority 1 services.



- a7. Consideration of Approval to Deny Requests for Priority 2 Services at a Discount Rate of 80 Percent and Below for Funding Year 2013.** 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 deny, upon FCC approval, waves for Funding Year 2013 with the parameters set at 80 percent and below for Priority 2 services.

- a8. Miscellaneous.**  
**a8-1. Solicit Ideas for the July 2013 Committee Agenda.** Dr. Talbott reminded members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Ms. Campbell, Mr. Barash or Mr. Blackwell between quarterly meetings.

**a8-2. Discussion on Schools & 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 Executive Committee determines that the discussion of the Schools & Libraries Information Technology Modernization 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) 2013 application filing window opened successfully at noon Eastern Time on December 12, 2012 and closed at 11:59 p.m. Eastern Time on March 14, 2013. The application filing window was open for 93 days. At the close of the application filing window, USAC had received 46,065 FY 2013 FCC Forms 471 requesting approximately \$4.833 billion in funding requests.
  - USAC released FY 2012 Wave 36 Funding Commitment Decision Letters (FCDLs) on March 26, 2013. As of March 31, 2013, funding commitments total approximately \$2.05 billion.

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- USAC released FY 2011 Wave 85 FCDLs on March 27, 2013. As of March 31, 2013, funding commitments total approximately \$2.56 billion.
- On March 8, 2013, the FCC released Public Notice (DA 13-363) seeking comment on proposed revisions contained in the FCC Forms 472, 473 and 474 as well as the accompanying instructions.
- On March 11, 2013, the FCC released Public Notice (DA 13-382) announcing the E-rate program funding cap for FY 2013 is \$2.38 billion.
- USAC Internal Audit Division (IAD) staff is performing Beneficiary and Contributor Audit Program (BCAP) audits of Schools and Libraries Program beneficiaries. Eight audits will be presented to the Schools and Libraries Committee at the April meeting.
- USAC Schools and Libraries Program operations and Information Technology (IT) staff provided outstanding support for the high volume of FY 2013 applications that were received in the weeks leading up to the FY 2013 application filing window deadline on March 14, 2013.
- The FCC requested USAC issue a Request for Comment (RFC) to solicit input on the goals and features of the Schools and Libraries IT Modernization (SLITM) project. On February 19, 2013, USAC published a RFC notice in FedBizOps and on the USAC website.
- On February 19, 2013, USAC announced the spring service provider training sessions, which will be held on May 7, 2013 in Atlanta, Georgia and on May 9, 2013 in Los Angeles, California. The registration for the training sessions has quickly filled to capacity.
- The Helping Applicants to Succeed (HATS) team has completed 314 HATS-type visits this year; two visits were conducted in person, 84 by telephone and videoconference, and 228 in targeted outreach projects. Thus far in 2013, USAC has initiated outreach with applicants in 47 states, Puerto Rico, Guam and Rota (Northern Mariana Islands).
- The average time to process an invoice line was seven days in February 2013. The invoicing team processed 98.7 percent of incoming invoice lines within 30 days.
- USAC staff exceeded appeals processing goals this quarter with 83.0 percent of appeals completed in the quarter being processed within 90 days of receipt.

At 2:16 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into ***Executive Session*** for the purpose of discussing the confidential and proprietary items noted above.

**EXECUTIVE SESSION:**

**a8-2. Discussion on Schools & Libraries Information Technology Modernization.**

Mr. Belden presented this item for discussion.

At 2:23 p.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Talbott reported that in *Executive Session*, the Committee discussed item a8-2 above. On a motion duly made and seconded, the Committee adjourned at 2:23 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary

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

<b>Monday, July 29, 2013 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 April 22, 2013
<b>a2.</b> Recommendation for Election of Committee Chair and Vice Chair
<b>a3.</b> Approval of 4th Quarter 2013 and Revised 2013 Annual Schools and Libraries Support Mechanism Programmatic Budgets
<b>a4.</b> Approval of 4th Quarter 2013 Schools and Libraries Support Mechanism Demand Projection for the August 2, 2013 FCC Filing
<b>a5.</b> Action on Three USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option</i>
<b>a6.</b> Consideration of Schools and Libraries Program Operations Information Technology Modernization Plan – <b>Confidential</b> – <i>Executive Session Recommended</i>
<b>a7.</b> Consideration of Contract Award for Schools & Libraries Support Mechanism Risk Assessment – <b>Confidential</b> – <i>Executive Session Recommended</i>
<b>a8.</b> Miscellaneous. Solicit ideas for October 2013 Committee meeting agenda.

<b><u>INFORMATION ITEMS</u></b>
<b>i1.</b> Schools and Libraries Support Mechanism Update
<b>i2.</b> Information on One Schools and Libraries Support Mechanism Beneficiary Compliance Inspection Report Conducted by the FCC Office of Inspector General – <i>Executive Session Option</i>
<b>i3.</b> Miscellaneous.

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

<b>Monday, October 28, 2013 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, July 29, 2013**

**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, July 29, 2013. Ms. Anne Campbell, Committee Chair, called the meeting to order at 1:31 p.m. Eastern Time, with all seven of the Committee members present:

Barash, Scott – Acting Chief Executive Officer	Noriega, Raquel
Campbell, Anne – Chair	Schell, Julie Tritt
Domenech, Dr. Dan	Talbott, Dr. Brian
Mason, Ken	

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  
Capozzi, David – Acting 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  
Greiner, Colleen – Vice President and Chief Information Officer – *by telephone*  
Jimenez, Jose – Member of the Board  
Jones, Rochelle – Member of the Board  
Scott, Wayne – Vice President of Internal Audit  
Wibberly, Dr. Kathy – Member of the Board

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Abshire, Sheryl	Calcasieu Parish Public Schools
Amalfitano, Vince – <i>by telephone</i>	USAC
Anderson, Latoya	USAC
Ayer, Catriona	USAC
Beard, Jay	USAC
Berkland, Kristin	USAC
Betancourt, Laura	USAC
Chu, Josie	USAC
Cruzan, Cathy	Funds For Learning

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<u>NAME</u>	<u>COMPANY</u>
Delmar, Teleshia	USAC
Duval, Rashann	USAC
Falkowitz, Ed	USAC
Frelow, Leslie	USAC
Garrett, Erika	USAC
George, Dewey	DP George
Harrington, John	Funds For Learning
Hartnett, Megan	FCC
Hughes, Jeff	USAC
Hughet, Pam	USAC
Iversen, Eric	USAC
Kaplan, Peter	Funds For Learning
Kraft, Mick	USAC
Lee, Brandon	USAC
Lenhardt, Chris	E-rate Elite Services
Lutz, Corey	USAC
Miller, Jack	Solix
Murphy, Tom	USAC
Ngugi, Kevin	USAC
Nuzzo, Patsy	USAC
Parry, John	Solix
Salvator, Charles	USAC
Schrieber, Johnnay	USAC
Short, Don	USAC
Sinkfield, David	USAC
Skadin, Andy	FCC
Smith, Chris	USAC
Stankus, Paul	CMS
Trew, Anne Marie	USAC
Wilson, Reggie	USAC

#### **ACTION ITEMS:**

- a1. Approval of Schools & Libraries Committee Meeting Minutes of April 22, 2013.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Schools & Libraries Committee meeting of April 22, 2013.
  
- a2. Recommendation for Annual Election of Committee Chair and Vice Chair.** Dr. Talbott 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 recommends that the USAC Board of Directors elect **Anne Campbell** as Chair and **Dr. Brian Talbott** as Vice Chair of the Committee for a term that

begins immediately upon the adoption of this resolution by the Board and ends when a successor to the Chair and/or Vice Chair has been elected, when the Chair or Vice Chair resigns from the Committee or the Board, is removed by resolution of the Board, or is no longer a member of the Board.

- a3. Approval of 4th Quarter 2013 and Revised 2013 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 4th Quarter 2013 programmatic operating budget for the Schools and Libraries Support Mechanism of \$12.1 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee approves a 4th Quarter 2013 capital budget for the Schools and Libraries Support Mechanism of \$1.5 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of negative \$0.2 million for Schools and Libraries Support Mechanism administrative expenses in the required August 2, 2013 filing to the FCC on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee approves a revised annual 2013 Schools & Libraries Support Mechanism operating budget of \$46.7 million; and

**RESOLVED FURTHER**, that the USAC Schools and Libraries Committee approves an annual 2013 Schools and Libraries Support Mechanism capital budget of \$1.8 million.

- a4. Approval of 4th Quarter 2013 Schools and Libraries Support Mechanism Demand Projection for the August 2, 2013 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 July 29, 2013, a summary of the 4th Quarter 2013 support mechanism demand estimates, including administrative costs, hereby directs USAC management to proceed with the required August 2, 2013 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 Three 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.

- a6. Consideration of Schools and Libraries Program Operations Information Technology Modernization Plan.** 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 USAC's *procurement strategy and contract administration* and to *pre-decisional matters* currently pending before the Federal Communications Commission.

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 Schools and Libraries Program information technology modernization plan shall be conducted in *Executive Session*.

- a7. Consideration of Contract Award for Schools & Libraries Support Mechanism Risk Assessment.** 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 risk assessment consulting services procurement shall be conducted in *Executive Session*.

- a8. Miscellaneous. Solicit Ideas for the October 2013 Committee Agenda.** Ms. Campbell reminded members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Ms. Campbell, Mr. Barash or Mr. Blackwell between quarterly meetings.



## **INFORMATION ITEMS:**

- ii. Schools and Libraries Support Mechanism Update.** Mr. Blackwell presented this item for discussion, noting that:
- USAC released the first wave for Funding Year (FY) 2013 Funding Commitment Decision Letters (FCDLs) on May 29, 2013. This wave contained over \$130 million in commitments for approved telecommunications services and Internet access requested at all discount levels in 12,023 applications.
  - On May 10, 2013, the FCC released order DA 13-1066 approving the Schools and Libraries FY 2013 Program Integrity Assurance (PIA) FCC Form 471 Review Procedures.
  - USAC released FY 2012 Wave 49 FCDLs on June 26, 2013. As of June 30, 2013, funding commitments total approximately \$2.59 billion.
  - USAC released FY 2011 Wave 96 FCDLs on June 20, 2013. As of June 30, 2013, funding commitments total approximately \$2.62 billion.
  - On May 16, 2013, the FCC released Public Notice DA 13-1119 announcing that \$450 million in unused funds will be carried forward to ensure funding is available for all eligible Priority One funding requests received from schools and libraries in FY 2013.
  - USAC Internal Audit Division (IAD) staff is performing Beneficiary and Contributor Audit Program (BCAP) audits of Schools and Libraries Program beneficiaries. Three audits will be presented to the Schools and Libraries Committee at the July meeting.
  - USAC Information Technology (IT) staff and the Schools and Libraries Program staff successfully updated and deployed software changes to run FY 2013 waves of commitments.
  - USAC staff conducted two successful one-day service provider trainings in Atlanta, GA on May 7, 2013, where 205 attended, and in Los Angeles, CA on May 9, 2013, where 185 attended. The new highly interactive format for the trainings was a success.
  - On May 2, 2013, USAC opened registration for the fall applicant trainings for FY 2014. This is the earliest date that USAC has opened the registration. The eight one-day training sessions are scheduled to be held in the following cities: Washington, DC; Newark, NJ; Minneapolis, MN; St. Louis, MO; Atlanta, GA; Houston, TX; Los Angeles, CA; and Portland, OR.

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- The Helping Applicants to Succeed (HATS) team has completed 378 HATS-type visits this year; 33 visits were conducted in person, 117 by telephone and 228 in targeted outreach projects. Thus far in 2013, the HATS team has initiated outreach with applicants in 47 states, Puerto Rico, Guam and the Northern Mariana Islands.
- The average time to process an invoice line was five days in May 2013. The invoicing team processed 99.5 percent of incoming invoice lines within 30 days.
- This quarter, USAC processed and completed 84.7 percent of appeals within 90 days of receipt.

**i2. Information on One Schools and Libraries Support Mechanism Beneficiary Compliance Inspection Report Conducted by the FCC Office of Inspector General.** Mr. Scott presented this item to for discussion.

At 3:07 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential and proprietary items noted above.

**EXECUTIVE SESSION:**

**a6. Consideration of Schools and Libraries Program Operations Information Technology Modernization Plan.** 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 considered the Schools and Libraries Program information technology modernization plan proposed by management, hereby authorizes management to proceed with the plan.

**a7. Consideration of Contract Award for Schools & Libraries Support Mechanism Risk Assessment.** 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 Morgan Franklin Corporation for a firm fixed price of \$1,900,000.

At 3:33 p.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at

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which time Ms. Campbell reported that in *Executive Session*, the Committee discussed and voted on items a6 and a7 above. On a motion duly made and seconded, the Committee adjourned at 3:34 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary