



Schools & Libraries Committee Meeting

Briefing Book

Monday, July 23, 2018

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

Universal Service Administrative Company Offices

700 12th Street NW, Suite 900

Washington, D.C. 20005

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

**Monday, July 23, 2018
10:00 a.m. – 12:00 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

OPEN SESSION	Presenter	<i>Estimated Duration in Minutes</i>
1. Schools & Libraries Committee Approvals		
A. Consent Items		
1. Approval of Schools and Libraries Committee Minutes of April 23, 2018	Chair	
2. Approval of Moving all Executive Session Items to Executive Session	Ernesto	15
B. Approval of Schools and Libraries Support Mechanism 4th Quarter 2018 Programmatic Budget and Demand Projection for the August 2, 2018 FCC Filing	Catriona	
2. Information on Four USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports	Chris Smith	10
3. Schools & Libraries Business Update		
A. Implementing a Standard Calendar for Key E-rate Program Activities		
B. Update on Calendar Year (CY) 2018 Schools and Libraries Training	Catriona	40

EXECUTIVE SESSION <i>Confidential – Executive Session Recommended</i>	Presenter	<i>Estimated Duration in Minutes</i>
4. Schools & Libraries Business Update (If needed)	Catriona	15

Next USAC Schools & Libraries Committee Meeting

**Monday, October 29, 2018
10:00 a.m. – 12:00 p.m. Eastern Time
USAC Offices, Washington, DC**

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

SCHOOLS & LIBRARIES COMMITTEE MEETING
Monday, April 23, 2018

(DRAFT) MINUTES¹

The quarterly meeting of the Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, April 23, 2018. Dr. Dan Domenech, Committee Chair, called the meeting to order at 10:01 a.m. Eastern Time, with eight of the nine Committee members present:

Bocher, Bob	Hernandez, Dr. Mike – <i>by telephone</i>
Buzacott, Alan	Mason, Ken – Vice Chair
Choroser, Beth	Sekar, Radha – Chief Executive Officer
Domenech, Dr. Dan – Chair	Wade, Dr. Joan

Members of the Committee not present:

Fontana, Brent

Other Board members and officers of the corporation present:

Davis, Craig – Vice President of Procurement and Sourcing Strategy
Beckford, Ernesto – Vice President, General Counsel and Assistant Secretary
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management
Choroser, Beth – Member of the Board
Feiss, Geoff – Member of the Board
Garber, Michelle – Vice President of Lifeline
Gillan, Joe – Member of the Board
Holstein, Bob – Vice President and Chief Information Officer
Kinser, Cynthia – Member of the Board
Lee, Karen – Vice President of Rural Health Care
Lubin, Joel – Member of the Board
Salvator, Charles – Vice President of Finance, Chief Financial Officer and
Assistant Treasurer

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

Scott, Wayne – Vice President of Internal Audit
 Sweeney, Mark – Chief Administrative Officer
 Wein, Olivia – Member of the Board
 Wibberly, Dr. Kathy – Member of the Board

Others present:

<u>NAME</u>	<u>COMPANY</u>
Anderson, Jarnice	USAC
Anderson, Latoya	USAC
Augustino, Steve	Kelly, Drye & Warren LLP
Ayer, Catriona	USAC
Bethel, Tameca	USAC
Braxton- Johnson, Kianna	USAC
Butler, Stephen	USAC
Carpenter, Nikki-Blair	USAC
Daniels, Joel	USAC
Frelow, Leslie	USAC
Gustafson, Jaymie	USAC
Hughet, Pamela	USAC
Jones, Frank	Solix, Inc.
Kaplan, Peter	Funds for Learning, LLC
King, Lauren	USAC
Kriete, Debra	South Dakota Department of Education
Lear, Kathleen	Maximus Federal Services, LLC
Lutz, Kevin	USAC
Manns, Bernie	USAC
Marjani, Regina	USAC
McCornac, Carolyn	USAC
Miller, Jack	Solix, Inc.
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Rovetto, Ed	USAC
Santana-Gonzalez, Jeanette	USAC
Schrieber, Johnnay	USAC
Sequin, Eric	Solix, Inc.
Tawes, Pauline	USAC
Tomlin, Nicole	USAC
Voth, Cara – <i>by telephone</i>	FCC
Wolff, Alex	USAC

OPEN SESSION

All materials from Open Session can be found on the [USAC website](#).

- 1. Schools & Libraries Business Update.** Ms. Ayer presented this item to the Committee providing an update on the Funding Year 2018 Applications Filing Window and an update on the FY208 Fiber Application Reviews. Mr. Bocher commented that this was the best application processing since the inception of EPC.
- 2. Information on Three USAC Internal Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** This item was presented for information purposes. No discussion was held.
- 3. Committee Approvals.** Dr. Domenech introduced these items to the Committee for consideration.
 - A. Consent Items.**
 - A1.** Approval of Committee meeting minutes of January 29, 2018 and March 12, 2018.
 - A2.** Approval for discussing in *Executive Session* agenda items:
 - (1) **4A** – Business Update (*Continued*). USAC management recommends that discussion of this item be conducted in *Executive Session* because this matter relates to *specific internal controls*.

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

RESOLVED, that the USAC Schools & Libraries Committee hereby approves: (1) the Committee meeting minutes of January 29, 2018 and March 12, 2018; and (2) discussion in *Executive Session* of the items noted above.

- B. Approval of Schools and Libraries Support Mechanism 3rd Quarter 2018 Programmatic Budget and Demand Projection for the May 2, 2018 FCC Filing.** Ms. Ayer 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 and Libraries Committee approves a 3rd Quarter 2018 Schools and Libraries Support Mechanism direct program budget of \$15.63 million; and

RESOLVED FURTHER, that the USAC Schools and Libraries Committee directs USAC staff to submit a collection requirement of \$15.63 million for Schools and Libraries Support Mechanism administrative costs in the required May 2, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC Schools and Libraries Committee, having reviewed at its meeting on April 23, 2018, a summary of the 3rd Quarter 2018 Schools and Libraries Support Mechanism demand estimate hereby directs USAC staff to proceed with the required May 2, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Schools and Libraries Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

At 11:18 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items listed above.

EXECUTIVE SESSION

4. Schools & Libraries Support Mechanism Business Update (Continued). Ms.

Ayer continued this discussion with the Committee providing in depth update on the training plan and fiber.

At 11:30 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Domenech reported that in *Executive Session*, the Committee discussed item 4. On a motion duly made and seconded, the Committee adjourned at 11:31 a.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

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

ACTION ITEM

Consent Items

Action Requested

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

Discussion

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

- A. Approval of Committee meeting minutes of April 23, 2018 (*see Attachment A*).
- B. Approval for discussing in *Executive Session* agenda items:
 - (1) **4** – Schools & Libraries Business Update (*If needed*). USAC management recommends that discussion of this item be conducted in *Executive Session* because this matter relates to *internal rules and procedures* concerning the administration of the universal service support mechanisms where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

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

Recommended USAC Schools & Libraries Committee Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the USAC Schools & Libraries Committee hereby approves: (1) the Committee meeting minutes of April 23, 2018; and (2) discussion in *Executive Session* of the item noted above.

**Universal Service Administrative Company
Schools and Libraries Committee Meeting**

ACTION ITEM

**Approval of Schools and Libraries Support Mechanism
4th Quarter 2018 Programmatic Budget and
Demand Projection for the August 2, 2018 FCC Filing**

Action Requested:

The USAC Board of Directors Schools and Libraries Committee (Committee) is requested to approve the 4th Quarter 2018 (4Q2018) programmatic budget and demand projection for the Schools and Libraries Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's August 2, 2018 quarterly filing.

Discussion:

On a quarterly basis, USAC is required to submit to the FCC each program's budget¹ and projected demand for the upcoming quarter.²

Base Demand

Based on applications received during the filing window, USAC management estimates demand for Funding Year 2018 is \$2,715.40 million.

Funding Requirement

The 4Q2018 funding requirement for the Schools and Libraries Support Mechanism is as follows:

<i>(in millions)</i>	Funding Requirement
Funding Year 2018 Demand	\$2,715.40
Funds Rolled-forward from Prior Years (see Attachment A)	(1,200.00)
Required Collection	\$1,515.40
4Q2018 Funding Requirement³	\$378.85

¹ 47 C.F.R. § 54.715(c).

² 47 C.F.R. § 54.709(a)(3).

³ Funding requirement represents one quarter of demand for Funding Year 2018.

Projected Administrative Expenses

Projected 4Q2018 administrative expenses for the Schools and Libraries program are \$26.21 million, which includes \$15.97 million in direct program costs and \$10.24 million in common allocated costs. Because program demand is less than the cap, administrative expenses can be collected as part of total demand.⁴ Details are provided in the table below.

<i>(in millions)</i>	YTD Actuals as of 6/30/18	3Q2018 Budget	4Q2018 Budget
Direct Program Costs			
Employee Expenses (see Note 1)	\$3.31	\$2.02	\$2.03
Professional Services (see Note 2)	26.65	13.05	12.67
Overhead (Direct) (see Note 3)	0.93	0.56	1.27
Capital Costs (Direct) (see Note 4)	0.78	0.00	0.00
Total Direct Program Costs	\$31.67	\$15.63	\$15.97
Common Allocated Costs (see Note 5)			
Operating Costs (Common)	\$19.18	\$10.29	\$10.17
Capital Costs (Common)	0.29	0.60	0.07
Total Common Allocated Costs	\$19.47	\$10.89	\$10.24
Total Program Budget	\$51.14	\$26.52	\$26.21

Note 1: Employee expenses for 42 FTEs as of 6/30/2018 versus 51 FTEs budgeted.

Note 2: Professional Services include Schools & Libraries program administration, E-Rate Productivity Center (EPC) operations and maintenance, beneficiary and contributor audit program audits, IT security, and the new call center.

Note 3: Overhead costs include computer support maintenance agreements, printing, meetings, and conferences.

Note 4: Direct capital costs are for EPC software development.

Note 5: Common costs include costs not directly attributable to a program and are allocated based on the Cost Allocation Methodology.

⁴ Pursuant to 47 C.F.R. § 54.715(c), administrative expenses for each program shall be deducted from the annual funding of each respective program.

Summary of Demand

The 4Q2018 funding requirement of \$378.85 million is adjusted as follows, resulting in a total projected 4Q2018 demand for the Schools and Libraries Support Mechanism of \$391.92 million:

<i>(in millions)</i>	3Q2018	Increase/ (Decrease)	4Q2018
Program Funding Requirement	\$378.85	\$0.00	\$378.85
Prior Period Adjustment ⁵	(16.99)	7.71	(9.28)
USAC Administrative Expenses	26.52	(0.31)	26.21
Interest Income	(5.36)	1.50	(3.86)
Total Demand (see Note 6)	\$383.02	\$8.90	\$391.92

Note 6: The change in demand between 3Q2018 and 4Q2018 is primarily related to lower prior period adjustments.

Recommendation:

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

Recommended Schools and Libraries Committee Actions:

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Schools and Libraries Committee approves a 4th Quarter 2018 Schools and Libraries Support Mechanism direct program budget of \$15.97 million; and

RESOLVED FURTHER, that the USAC Schools and Libraries Committee directs USAC staff to submit a collection requirement of \$15.97 million for Schools and Libraries Support Mechanism administrative costs in the required August 2, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC Schools and Libraries Committee, having reviewed at its meeting on July 23, 2018, a summary of the 4th Quarter 2018 Schools and Libraries Support Mechanism demand estimate hereby directs USAC staff to proceed with the required August 2, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Schools and Libraries Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

⁵ Prior period adjustments reconcile projections to actual results and include adjustments for billings, interest income, bad debt, and administrative expenses.

Schools & Libraries
Unapplied Reserve Rolled-Forward

<i>(in millions)</i>	FY 2005*	FY 2006*	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
	4/1/05- 3/31/06	4/1/06- 3/31/07	4/1/07- 3/31/08	4/1/08- 3/31/09	4/1/09- 3/31/10	4/1/10- 3/31/11	4/1/11- 3/31/12	4/1/12- 3/31/13	4/1/13- 3/31/14	4/1/14- 3/31/15	4/1/15- 3/31/16	4/1/16- 3/31/17	4/1/17- 3/31/18
Amount Rolled Forward (see Note 1)	\$0	\$0	\$650	\$600	\$900	\$1,150	\$850	\$1,050	\$450	\$200	\$1,575	\$1,900	\$1,200
Beginning Balance, Unapplied Reserve	\$365	\$365	\$650	\$600	\$1,000	\$875	\$600	\$400	\$450	\$600	\$1,575	\$1,900	\$1,200
Funding Required	2,250	2,250	2,250	2,250	2,250	2,270	2,291	2,339	2,380	1,864	2,250	1,842	2,064
Subtotal, Net Demand for the Period	2,615	2,615	2,900	2,850	3,250	3,145	2,891	2,739	2,830	2,464	3,825	3,742	3,265
Disbursements	(1,919)	(1,630)	(1,798)	(1,885)	(1,958)	(2,327)	(2,868)	(2,290)	(2,332)	(2,300)	(2,242)	(2,531)	(2,762)
Reserved Funds, Net Change													
a. Pending Applications with no FCDL	121	(170)	(226)	(304)	98	46	(913)	(659)	389	864	501	(339)	480
b. Unliquidated Obligations (ULOs)	103	29	199	(278)	(44)	92	1,211	222	(405)	606	(622)	445	306
c. Appeals Reserve - USAC Appeals (see Note 2)	0	0	0	0	0	0	0	0	0	0	0	0	114
d. Appeals Reserve - FCC Appeals (see Note 2)	0	0	0	0	0	0	0	0	0	0	0	0	(154)
e. Unpaid Invoices (see Note 2)	0	0	0	0	0	0	0	0	0	0	0	0	(48)
f. Contingency/Other (see Note 2)	(555)	(193)	(475)	616	(471)	(355)	79	438	118	(58)	437	(116)	0
Subtotal, Net Change in Reserved Funds	(331)	(335)	(502)	35	(417)	(218)	377	1	101	1,412	317	(11)	698
Ending Balance, Unapplied Reserve (Available for Roll Forward) (see Note 1)	\$365	\$650	\$600	\$1,000	\$875	\$600	\$400	\$450	\$600	\$1,575	\$1,900	\$1,200	\$1,200

* The FCC did not direct USAC to roll forward funds for FY2005 and FY2006.

Note 1: Roll Forward = (Net Demand for the Period) - (Net Change of Reserve Fund + Disbursement).

Note 2: Prior to the April 17, 2017 guidance from the FCC, USAC did not identify a specific reserve amount for appeals or invoices in process, but instead determined a “Contingency for Appeals and Invoice Deadline Extensions.”

Schools and Libraries Committee

Business Update

July 23, 2018



Universal Service
Administrative Co.

Agenda

Briefing book excludes all materials discussed in Executive Session

Topic	Description	Purpose	Presenter	Length
Program Goals & Objectives	Review of major goals & objectives of the program, as administered by USAC.	Informational	Catriona	5 min
Business Update – Open Session				
Recap	Review of open items from last Committee meeting.	Informational	Catriona	5 min
Program View At-a-Glance	Major deliverables and areas of focus, for CY2018, by quarter.	Informational	Catriona	10 min
Program Implementation	Review of recent accomplishments and a look ahead to next quarter.	Informational	Catriona	5 min
Key Program Activities & Milestones	Overview of significant program activities.	Informational	Catriona	5 min
Operational Metrics	Operational metrics as of June 2018.	Informational	Catriona	5 min
Special Topics				
FY 2019 E-Rate Calendar	Proposed FY 2019 E-rate Calendar Cycle.	Informational	Catriona	5 min
Schools and Libraries Training Update	Information on CY 2018 training for applicants and service providers.	Informational	Catriona	5 min
Business Update – Executive Session				
USAC OGC Update	OGC Updates – Recent FCC E-rate Orders.	Informational	Ernesto	5 min
Procurement Update	Update on E-rate Procurement Activities.	Informational		-

Goals & Objectives

Briefing book excludes all materials discussed in Executive Session

Goals	Objectives / Program Outcomes	How Schools and Libraries will meet the goal
Execute Program Goals	Execute program operations to ensure the fast, simple, efficient, and accurate delivery of Schools & Libraries (SL) funds to those who are eligible.	Ongoing disbursements of funds based on approved funding requests with approved invoices validated by supporting documentation and SL records.
Implement New FCC Orders and Mandates	Implement FCC Orders, policy clarifications/ changes and mandates in a timely manner.	Re-compete Business Process Outsourcing (BPO) contract; support assessment of sunseting SL Legacy systems; transition call center to new vendor; and implement 2014 E-rate Orders.
Improve Operational Efficiency and Effectiveness	Increase SL business productivity through increased efficiency and effectiveness of both SL and USAC operational processes.	Actively support USAC governance initiatives; consistently review SL business processes to ensure they are aligned with changing FCC priorities and USAC business needs; improve the documentation of processes and decision making within the program.
Improve Program Participant/FCC Experience	Streamline and simplify the program participant experience to enable successful participation. Provide the FCC with timely awareness of program administration issues, be responsive to FCC information requests, and flag issues in need of FCC guidance.	Meet or exceed metrics associated with customer service, turnaround times, and system performance. Continue to cultivate positive relationships with stakeholder groups and program participants. Collaborate with FCC across all SL activities to identify goals and strategies, align on expectations, and track against desired outcomes.
Enhance Program Integrity	Monitor, report, and implement enhanced controls to assess program effectiveness and program business value.	Review SL data to identify trends that require attention, and monitor new issues and develop appropriate solutions. At or below OMB improper payment targets <2%.
Employee Engagement	Enhance individuals through career development and fostering a positive work environment.	Implement action plans, conducting routine individual and team level meetings to exchange information and celebrate successes.

Urban/Rural Breakdown of Fiber Special Construction Funding Requests

Funding Year	Urban/Rural	Funding Request Status				Total Requests	Pre-Discount Charges (\$M)	Project Plant Route Feet	Average Discount Rate
		Funded	Denied	Cancelled	Pending				
2016	Rural	115	47	54	0	216	\$ 80.43	25,637,945	77.8
	Urban	80	61	67	0	208	\$ 82.54	58,893,025	66.4
	Total	195	108	121	0	424	\$ 162.97	84,530,970	72.2
2017	Rural	143	35	77	9	264	\$ 101.68	10,813,341	81.7
	Urban	116	30	37	11	194	\$ 124.38	15,027,096	72.3
	Total	259	65	114	20	458	\$ 226.06	25,840,437	77.7

Recap

Briefing book excludes all materials discussed in Executive Session

Special Construction Funding Requests

Funding Year	All Fiber Requests	Special Construction Requests	Denied	Percent Denied
2016	1,243	424	107	25%
2017	1,117	459	61	13.3%
2018	1,066	408	N/A	N/A

Self-Provisioned Funding Requests

Funding Year	All Fiber Requests	Self-Provisioned Requests	Denied	Percent Denied
2016	1,243	143	68	48%
2017	1,117	145	25	17%
2018	1,066	120	N/A	N/A

Top Denial Reasons by Funding Year

FY 2016	FY 2017
Competitive Bidding Violations	Competitive Bidding Violations
Did not request services on FCC Form 470	Did not provide responses or provided insufficient response
Services were not cost-effective	Did not request services on FCC Form 470
Did not provide responses or provided insufficient response	Services requested were ineligible
Services requested were ineligible	Services were not cost-effective
Contract does not meet program requirements	Contract does not meet program requirements

Recap: Charter & Private School Participation

Charter Schools

Funding Year	Charter Schools on FCC Forms 471	Applied Fiber Special Construction	Funded Special Construction	Pending Special Construction
2016	4,803	111	58	0
2017	4,770	185	27	105
2018	4,579	167	--	167

Private Schools

Funding Year	Private Schools on FCC Forms 471	Applied Fiber Special Construction	Funded Special Construction	Pending Special Construction
2016	8,302	133	52	0
2017	7,985	85	32	5
2018	7,164	25	--	25

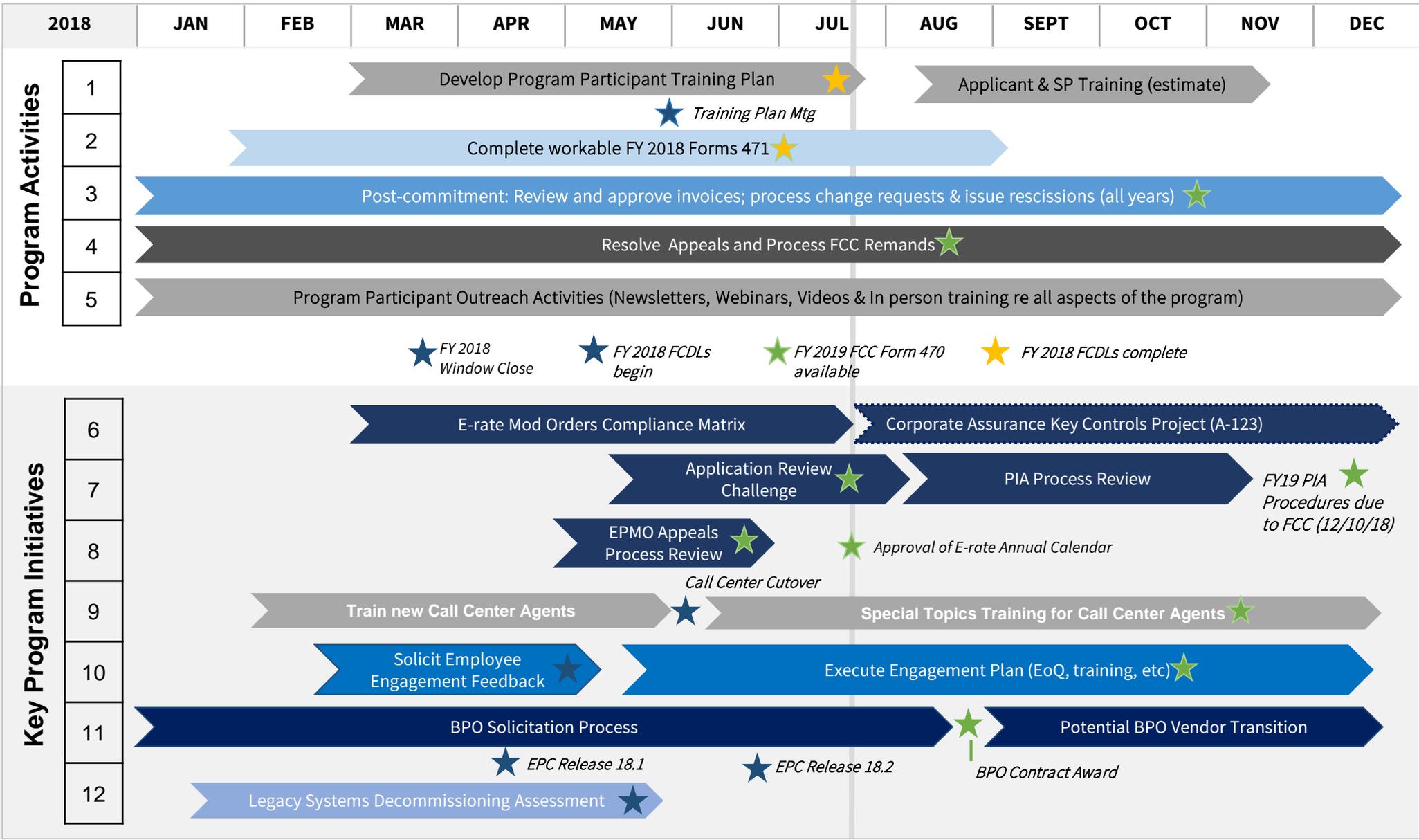
Note: Numbers include the distinct count of schools listed as a recipient of service on FCC Forms 471.

E-rate Program at a Glance

Briefing book excludes all materials discussed in Executive Session

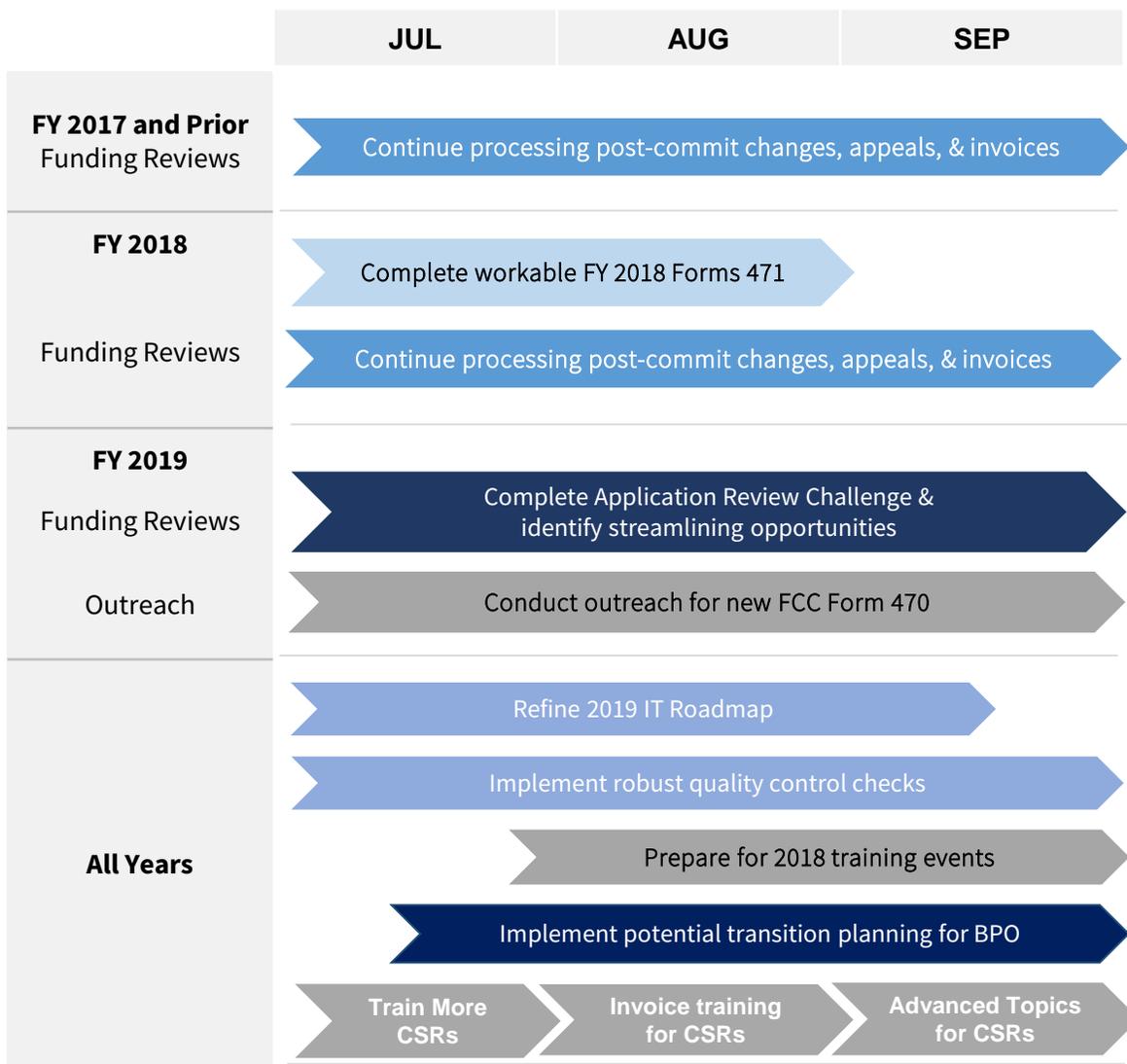
Milestone Legend

- ★ Completed
- ★ On Track
- ★ At-Risk
- ★ Delayed
- ★ On Hold/TBD



Program Implementation

Briefing book excludes all materials discussed in Executive Session



Program Objective

- Implement all FCC Orders.
- Issue decisions for all workable FY 2018 applications by September 1.

Recent Accomplishments (Q2)

- Issued decisions for over 29,500 (81%) FY 2018 applications for \$1.3 B.
- Successfully transitioned call center operations to new vendor on 6/1. In June, vendor handled 2,686 calls and closed 2,040 web inquiries and calls.
- Completed SL Legacy System Assessment.

Upcoming Activities (Q3)

- Launch updated FY 2019 FCC Form 470 on July 1.
- Complete Business Process Outsourcing solicitation.
- Begin to issue payments for FY 2018 as of July 1.
- Plan and execute program participant training.

Lessons Learned/Observations

- Institute additional quality control measures to identify system defects early.
- USAC to develop additional supports for fiber applicants including Documentation Checklist and enhanced fiber training with case studies.

On track to meet SLAs for FCC Form 471 and post-commitment actions.

CSR = customer service representative. FCDL = Funding Commitment Decision Letters. SLA = Service Level Agreement.

Key Program Initiatives and Milestones

Information provided is all materials discussed in Executive Session

Activities

CY 2018 Program Participant Training Plan

- Solicited applicant feedback on topics of interest and best ways to deliver effective training.
- Training agendas and presentations geared toward applicant and service provider areas of difficulty in navigating program processes.
- Finalize dates and locations for in-person applicant training in the Fall.

Legacy Systems Decommissioning Assessment

- Completed assessment of E-rate Legacy Systems decommissioning options on May 31.
- Assessment reviewed potential solutions for systems used in reviewing FY 2015 and prior program forms and invoicing functions for all years. The review of the assessment options is ongoing.

Call Center Transition

- USAC staff delivered three weeks of initial training to new call center agents prior to the June 1 cutover date. Additional training on timely topics will be offered on an on-going basis.
- USAC will monitor and sample actual calls to ensure agents are providing accurate information in a timely and professional manner.
- USAC and vendor will conduct weekly metrics meeting with management team to review performance and address call center issues.

Employee Engagement

- USAC identified a group of engagement champions in SLD to solicit ideas from the team on how to improve communication, collaboration, and cohesion.
- In April, SLD established an “Employee of the Quarter” award for outstanding service by a staff member. Other activities undertaken in the second quarter include various trainings and teambuilding activities.

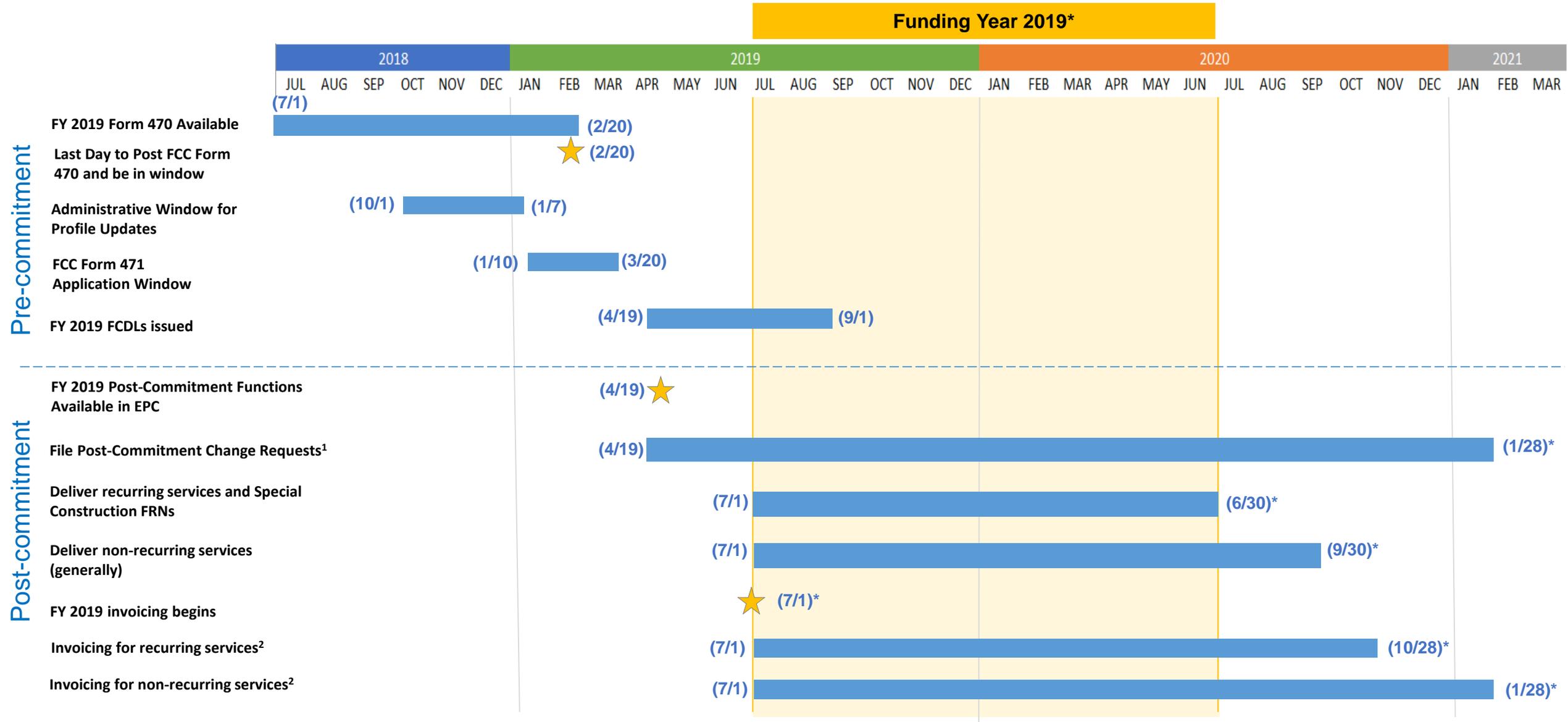
Operational Performance Metrics Overview

Briefing book excludes all materials discussed in Executive Session

Metric		Target	Jan	Feb	Mar	Apr	May	June	Variance		Description/mitigation
1A	FY 2017 Funding Commitments (\$M)	\$3,239	\$2,852	\$2,924	\$2,989	\$3,000	\$3,052	\$3,057	\$182	✓	Cumulative
1B	FY 2017 Funding Commitments vol.	40,616	39,874	40,017	40,142	40,154	40,169	40,181	435	✓	Cumulative
1C	FY 2017 Funding Disbursements (\$M)	\$2,243	\$382	\$510	\$619	\$802	\$868	\$1,012	\$1,231	✓	Cumulative
2A	FY 2018 Funding Commitments (\$M)	\$2,854	N/A	N/A	N/A	\$637	\$1,063	\$1,446	\$1,408	✓	Cumulative
2B	FY 2018 Funding Commitments vol.	35,773	0	0	0	18,433	25,976	30,598	5,175	✓	Cumulative
2C	FY 2018 Funding Disbursements (\$M)	\$700	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$700	✓	Cumulative
3	Call Center Abandon Rate	3.0%	6.1%	4.3%	0.9%	0.15%	0.23%	8.9%	5.9%	✓	New call center vendor started in June 2018.
4	Appeals Processing (Avg Days Open)	90	114	116	108	87	65	67	-23	✓	Open commitments reduction program contributed to lower days outstanding during 2Q2018 as older decisions were issued.

Discussion Topic: FY 2019 E-rate Annual Calendar

Briefing book excludes all materials discussed in Executive Session



¹ Deadline for appeals is 60 days after date of decision letter; other change requests must be filed by appropriate invoice deadline.

² The invoice deadline may deviate from the standard date if the FRN is subject to a service delivery or invoice extension.

* Indicates FCC driven date

Discussion Topic: Program Participant Training Update

- Solicited applicant feedback on topics of interest and best ways to deliver effective training.
- Training agendas and presentations geared toward applicant and service provider areas of difficulty in navigating program processes.
- Working with FCC to finalize dates and locations for in-person applicant and service provider training in the Fall.

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

INFORMATION ITEM

Implementing a Standard Calendar for Key E-rate Program Activities

Information Presented:

USAC management is providing an update to the USAC Schools & Libraries Committee (Committee) on planned key E-rate Program activities for Funding Year 2019.

Background:

The Federal Communication Commission (FCC) adopted a set of goals for the E-rate program in 2014 that included making changes to the administration of the program to make it faster, simpler, and more efficient.¹ Building on that directive, USAC is proposing to adopt a standard annual E-rate calendar to provide program participants with clear, consistent, and reliable dates for key activities. Standardizing these dates will remove uncertainty for important events, including the application filing window, and will simplify planning as well as increase transparency for the program community, the FCC, and USAC.

Discussion:

FY 2019 E-rate Annual Calendar

Program participants have long requested standardized dates, especially for the application filing window. Starting in 2015, USAC adopted July 1st as the standard date to make the FCC Form 470 available for the upcoming funding year. This proposed calendar builds on that initial step and provides a complete set of dates for the lifecycle of the E-rate program.

The proposed standardized calendar includes the following activities:

- **FCC Form 470 Available:** USAC will continue the current practice of making this form available on July 1st preceding the funding year so applicants have sufficient time to conduct a competitive bidding process as needed.
- **Administrative Window:** This window allows applicants to update entity profile data in EPC from October 1st through January 7th preceding the funding year,

¹ See *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-284, Order, 29 FCC Rcd 8870 (2014) (*E-rate Modernization Order*); *Modernizing the E-rate Program for Schools and Libraries*, WC Docket Nos. 13-184 et al., Second Report and Order and Order on Reconsideration, 29 FCC Rcd 15538 (2014) (*Second E-rate Modernization Order*).

giving them over three months to update student counts and to make any other necessary changes to their entities.

- Application Filing Window: The FCC Form 471 application filing window will open on January 10th and close on March 20 prior to the funding year. This provides applicants 69 days to file their FCC Form 471 applications, which is consistent with the length for recent application windows. The first quarter window also allows USAC to issue funding decisions for more applications prior to the summer, allowing program participants to receive discounted services at the beginning of the funding year.
- Funding Commitment Decision Letters (FCDLs): USAC will begin to issue FCDLs on April 19th prior to the beginning of the funding year.
- Post-Commitment Processes: Program participants will be able to file their FCC Forms 486 and file appeals with the issuance of the first FCDLs for the funding year.
- Funding Year: Pursuant to FCC rules, the funding year begins on July 1st and ends June 30th of the following calendar year.
- Invoicing: Consistent with current practice, USAC will begin to pay invoices for the funding year as of July 1st for services that have been delivered and/or are eligible for prepayment. The deadlines for filing invoices and other post-commitment activities are based on FCC rules and are generally October 28th for recurring services following the close of the funding year, and January 28th for non-recurring services following the close of the funding year.

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

INFORMATION ITEM

Update on Calendar Year (CY) 2018 Schools and Libraries Training

Information Presented:

USAC management is providing an update to the USAC Schools & Libraries Committee (Committee) on the Calendar Year (CY) 2018 in-person applicant and service provider training activities.

Background:

Each year, the Schools and Libraries Program provides in-person training sessions in various locations throughout the United States for applicants and service providers. The training sessions are geared towards helping program participants understand program rules and compliance, key program dates, and how to navigate program processes. During the training sessions, participants have the opportunity to hear directly from members of the USAC Schools and Libraries team and ask questions about key topics important for successful participation in the program such as posting for services, filing funding requests, and invoicing.

Discussion:

CY 2018 In-Person Training Update

Over the past quarter, USAC has continued to engage the Federal Communications Commission (FCC) staff in a discussion about training content, training locations, and costs. USAC has been actively working to identify potential venues that will provide adequate facilities for training participants while still being cost-effective. We also continue to be mindful of the significant feedback that we received from last year's attendees, and are working to ensure that we address as many their concerns as possible, given the financial constraints.

Working with the state coordinator community and internal resources, USAC identified seven possible venues for applicant training, two of which could also be used for service provider training. The venues are located in the following metropolitan areas: Washington, DC; Atlanta, GA; Omaha, NE; Chicago, IL, and Sacramento, CA.

To ensure that the training content meets the needs of the E-rate community, USAC convened a small group of stakeholders to provide input into to our training plans. One of the key suggestions from that discussion was to include a mix of breakout and plenary sessions, which will allow participants to choose the sessions that best fits their needs. In addition, USAC is planning to include the review of E-rate case studies, and to engage the participants in a dialogue about how E-rate program rules apply in different scenarios.

We think that these options will allow both seasoned E-rate participants and newcomers to get the information they need in an engaging and interactive training.

While the information about training has not yet been finalized, we will continue to partner with the FCC to bring this matter to closure. We believe that the steps that we are taking will result in a training program that is both informative and timely, while still cost-effective.