

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

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| 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

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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 |

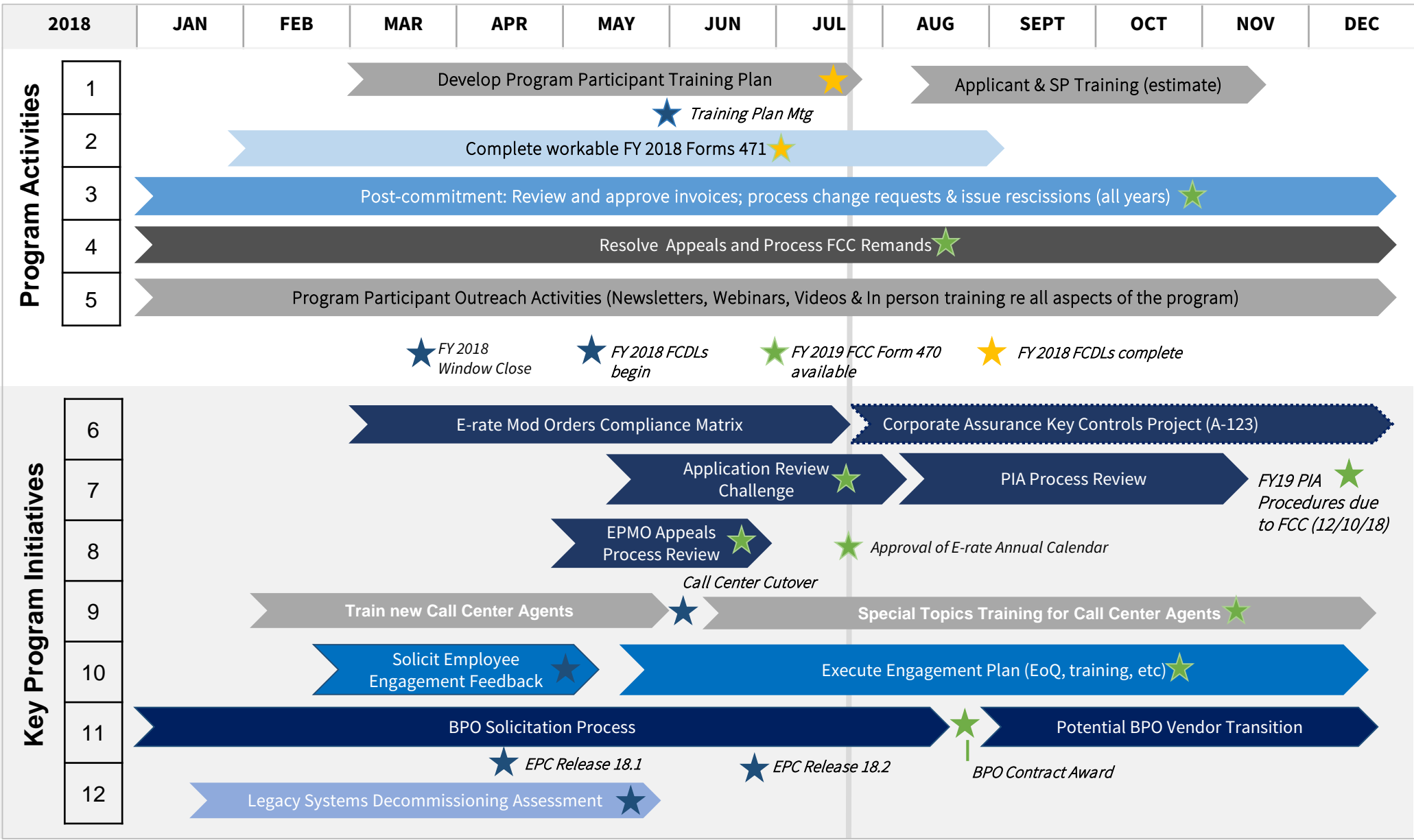
Private Schools

| 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

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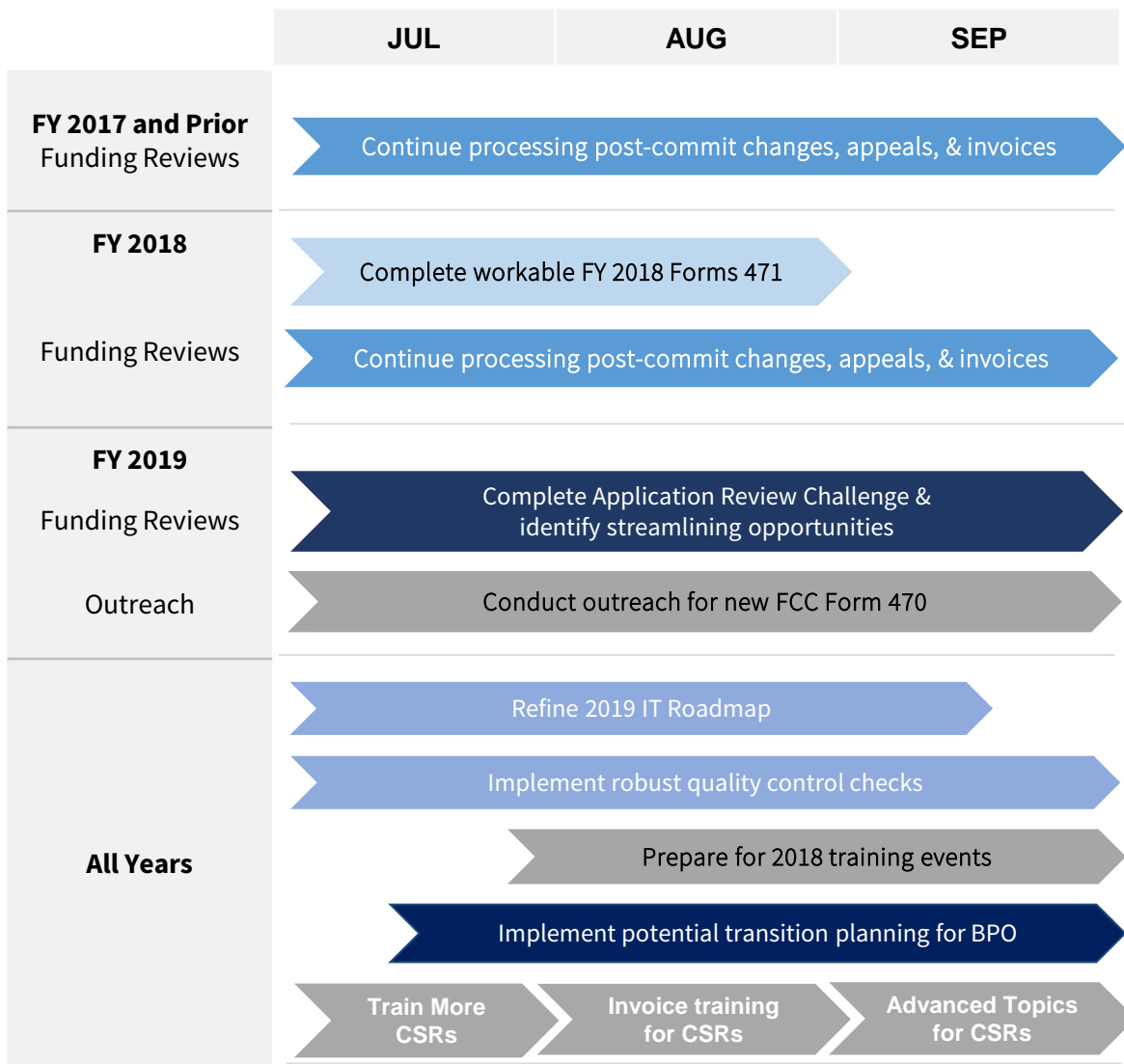


Milestone Legend

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

Program Implementation

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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.

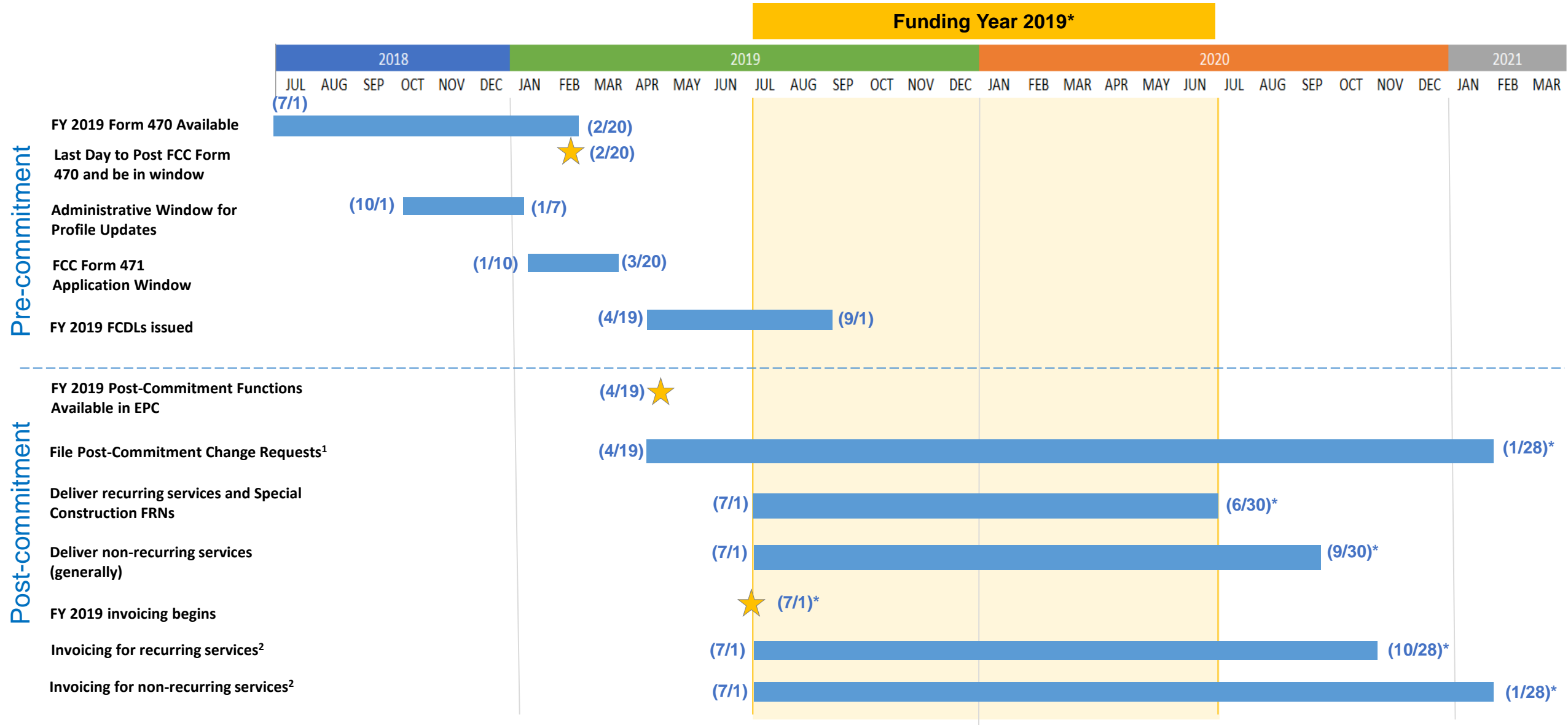
Operational Performance Metrics Overview

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| 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

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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.