

Table C. 4Q2019 Quarterly Programmatic Budget

<i>(in millions)</i>	4Q2019 Budget	Notes
Direct Program Costs		
Employee Expenses	\$1.81	
Professional Services	6.39	
General & Administrative	0.00	See Note 2
Total Direct Program Costs	\$8.20	
Direct Assigned Costs		
Employee Expenses	\$1.07	
Professional Services	3.55	
General & Administrative	0.55	See Note 2
Total Direct Assigned Costs	\$5.17	
Total Direct Program & Direct Assigned Costs	\$13.37	
Common Allocated Costs	\$11.58	
Total Programmatic Budget	\$24.95	

Note 2: General & Administrative expenses include computer support & maintenance and meetings & conferences.

A comparison of actual expenditures to the budget for the six months ending June 30, 2019 is provided in **Attachment 1**.

Recommendation:

USAC management recommends that the Committee approve the 4Q2019 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 2019 Schools and Libraries Support Mechanism direct program budget of \$13.37 million; and

RESOLVED FURTHER, that the USAC Schools and Libraries Committee directs USAC staff to submit a collection requirement of \$13.37 million for Schools and Libraries Support Mechanism administrative costs in the required August 2, 2019 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 29, 2019 the 4th Quarter 2019 Schools and Libraries Support Mechanism demand estimate of \$422.28 million, hereby directs USAC staff to proceed with the required August 2, 2019 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.

ATTACHMENT 1

Schools and Libraries Administrative Costs and Headcount
 Comparison of Actual Expenditures and Headcount to the Budget for the
 Six Months Ending June 30, 2019

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	46	48	2	\$3.27	\$3.54	\$0.27
Professional Services (Note 3)				12.69	12.78	0.09
General & Administrative (Note 4)				0.00	0.01	0.01
Total Direct Program Costs				\$15.96	\$16.33	\$0.37
Direct Assigned Costs						
Employee Expenses	19	25	6	\$1.74	\$2.11	\$0.37
Professional Services (Note 3)				5.35	8.55	3.20
General & Administrative (Note 4)				0.99	1.06	0.07
Total Direct Assigned Costs				\$8.08	\$11.72	\$3.64
Total Direct Program & Direct Assigned Costs	65	73	8	\$24.04	\$28.05	\$4.01
Common Allocated Costs (Note 5)				\$18.80	\$22.46	\$3.66
Total Programmatic Budget				\$42.84	\$50.51	\$7.67

Note 3: Direct Program Professional Services include Business Process Outsourcing (BPO) and Project Management Office (PMO) contracts. Direct Assigned Professional Services include E-Rate Productivity Center (EPC) operations & maintenance, beneficiary & contributor audit program audits, and IT contract labor.

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

Note 5: Common costs include costs not directly attributable to a program and are allocated based on the Cost Allocation Methodology, which allocates costs based 50% on direct program costs in the prior year and 50% on program demand in the prior year.

Schools and Libraries Business Update

Schools and Libraries Committee Meeting

July 29, 2019



Universal Service
Administrative Co.

Agenda: Schools and Libraries

Topic	Description	Purpose	Presenter	Length
Recap	Broadband Requests by Funding Year	Informational	Catriona	5 min
Discussion Topics	<ul style="list-style-type: none"> - Fiber Application Update - 2019 Service Provider Training - 2019 Applicant Training - Business Processing Operations Vendor Activities 	Informational	Catriona	45 min
Schools and Libraries Program at a Glance	Overview of SLD activities for next 12 months	Informational	Catriona	10 min
Appendix A	2019 First Quarter accomplishments, planned activities, and metrics	Informational	-	-
Appendix B	Glossary of Acronyms and Terms	Informational	-	-
Appendix C	1Q2019 FCC Docket Summary	Informational	-	-

Recap: Broadband Requests by Funding Year

Briefing book excludes all materials discussed in Executive Session.

Broadband by Funding Year

Note: includes applications processed to date as of 6/23/2019. Broadband is defined as services with a download speed of 100 Mbps or greater.

Funding Year	Original Requested Amount	Current Committed Amount	Total Disbursements
2016	\$ 1,792,804,864.68	\$ 1,466,608,428.94	\$ 1,195,119,635.84
2017	\$ 1,949,322,057.32	\$ 1,426,487,593.63	\$ 1,171,137,687.46
2018	\$ 1,890,534,859.16	\$ 1,519,314,907.79	\$ 602,141,831.11
2019	\$ 1,734,144,063.49	\$ 741,035,597.53	\$ 0.00
Total	\$ 7,366,805,844.65	\$ 5,153,446,527.89	\$ 2,968,399,154.41

Discussion Topic: Fiber Application Update

Briefing book excludes all materials discussed in Executive Session.

FY 2019 Fiber applications

- 1027 Fiber applications submitted.
- Total requested: \$422 M.
- As of Wave 10,553 applications are committed with 474 applications remaining.
- State Match Provisions expiring 6/30/2019:
 - IL, KS, NV, and VA
 - Applications committed except where we are waiting on the applicant to respond to USAC inquiries.
 - 44 of the 53 State Match priority applications have been completed and processed through a wave
- Fiber special construction FY2019 requested \$ are down by 23% when compared to FY2018

FY 2018 Fiber applications

- 928 Fiber applications committed; 11 remain pending.

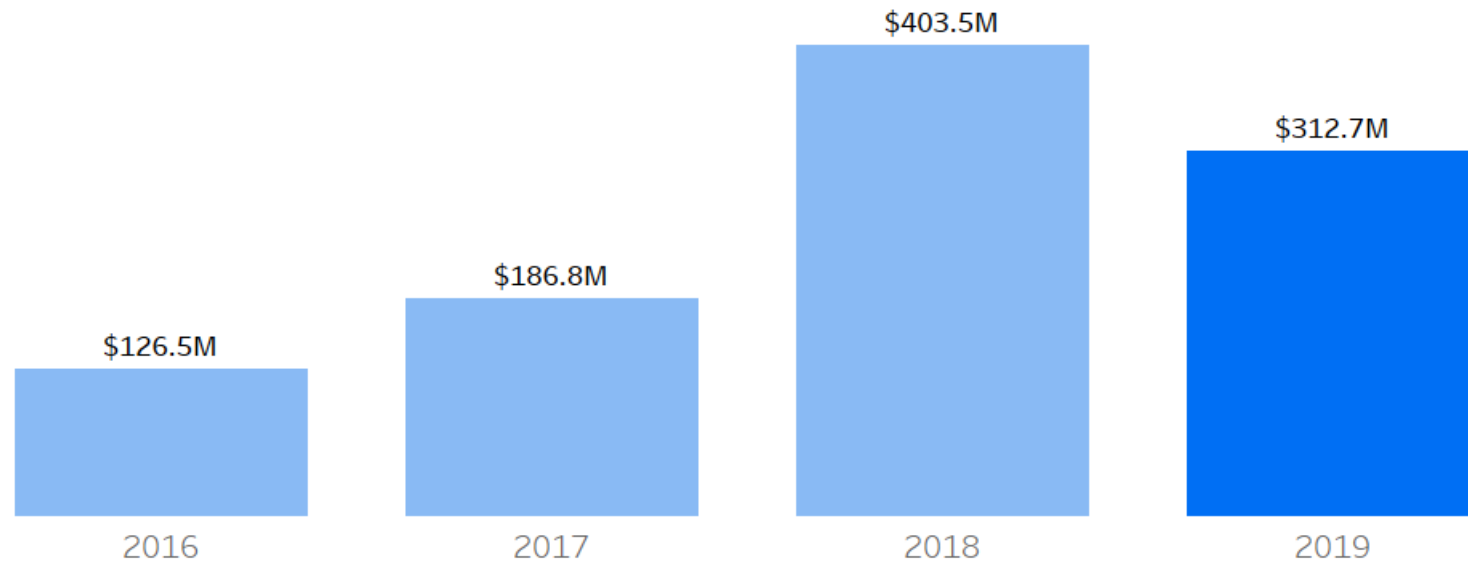
State Match Funds by Funding Year

Note: includes applications processed to date as of 6/23/2019.

Funding Year	Match Amount
2016	\$ 2,671,094.15
2017	\$ 9,983,931.01
2018	\$ 20,343,703.90
2019	\$ 27,180,779.60

All figures are as of window close

Special Construction - Original Requested Dollars



Discussion Topic: 2019 Service Provider Training

Briefing book excludes all materials discussed in Executive Session.

Location	Dates	Registered	Available Seats
Service Provider – Washington, DC	Aug. 5/6	110	Full
Service Provider – Washington, DC	Aug. 8/9	110	Full*

* **Waitlist available**

As of July 5, 2019

Service Provider Training

- Understand the Service Provider experience and requirements.
- Optional half day pre-session for beginners.
- Focus on common pitfalls, including common scenarios faced by providers.
- Emphasis on current issues from the field.
- Additional training opportunities available on August 7 for other USF programs.

Discussion Topic: 2019 Applicant Training

Briefing book excludes all materials discussed in Executive Session.

Location	Dates	Registered	Available Seats
Applicant – Washington, DC	Sept.16/17	110	Full
Applicant – Washington, DC	Sept.19/20	110	Full*
Applicant – Dallas, TX	Sept. 23/24	129	79
Applicant – Chicago, IL	Oct. 2/3	104	171
Applicant & Tribal – Portland, OR	Oct. 16/17	75	123
Applicant – North Branch, NJ	Oct. 22/23	57	174
Applicant – Santa Rosa, CA	Oct. 31/Nov.1	95	125
Applicant – Atlanta, GA	Nov. 13/14	51	196
Tribal – Tahlequah, OK	Nov. 19	9	46
Tribal – Farmington, NM	Nov. 21	9	79

* **Waitlist available**

As of July 5, 2019

Applicant Training:

- Understand the Applicant experience and requirements.
- Optional half day pre-session for beginners.
- Focus on common pitfalls, including common scenarios faced by providers.
- Emphasis on current issues from the field.

Business Processing Operations Vendor Activities

Briefing book excludes all materials discussed in Executive Session.

FY2019 FCC Forms 471 Processing (as of June 28, 2019):

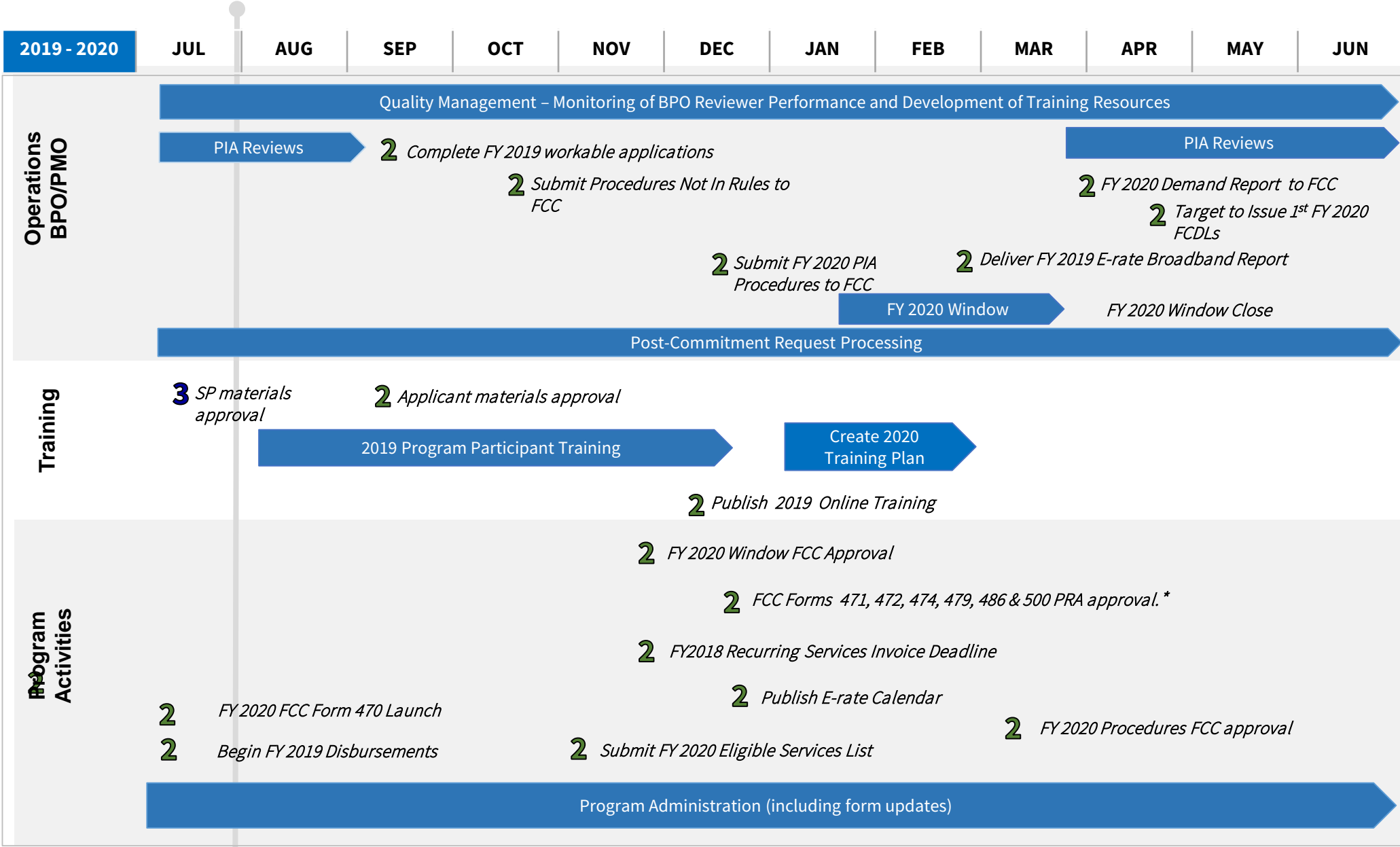
- 36,397 Applications Submitted
- 26,858 (73.8%) Applications Committed
- 20,196 (86.9%) Category 1 Applications Committed
- 6,662 (50.6%) Category 2 Applications Committed

Invoice Processing (as of June 28, 2019):

- 169,794 invoice line items processed since January 1, 2019
- 25,755 were processed manually
- 2,867 workable invoice line items aged > 30 day service level agreement

E-rate Program at a Glance

Briefing book excludes all materials discussed in Executive Session.



Milestone Legend

- 3** Completed
- 2** On Track
- 1** At Risk

* Subject to FCC Approval

- All milestones are on track
- Completed Milestones
- SP materials approved
 - End-to-End Systems Architecture Assessment

Note: Refer to Attachment A in the Appendix for 2nd Quarter Accomplishments, planned activities, and metrics.

Appendix B: Glossary of Acronyms

Acronym	Term	Definition
BEAR	FCC FORM 472	The Billed Entity Applicant Reimbursement Form is an FCC form that schools and libraries submit to USAC after paying for services in full, to request reimbursement for the discount on those services.
BEN	BILLED ENTITY NUMBER	A unique number assigned by USAC to each billed entity (school, library, or consortium) that pays for services.
BMIC	BASIC MAINTENANCE OF INTERNAL CONNECTIONS	A Category Two service type on the Eligible Services List. Basic Maintenance of Internal Connections services cover the repair and upkeep of eligible products.
BPO	BUSINESS PROCESS OUTSOURCING	Contracting of the operations and responsibilities of a specific business process to a third-party service provider.
C2 Budget	CATEGORY TWO BUDGET	Starting with FY2015, applicants applying for Category Two services will be limited to a five-year, pre-discount budget for those services.
COMAD	COMMITMENT ADJUSTMENT	The process by which a funding commitment is reduced because of program rule violations.
CSB	CLIENT SERVICE BUREAU	A helpline available to assist applicants and service providers. You can call CSB toll free at (888) 203-8100.
EPC	E-RATE PRODUCTIVITY CENTER	EPC is the account and application management portal for the Schools and Libraries (E-rate) Program. Applicants, consultants, and service providers participating in the E-rate Program use this tool to manage program processes and to submit questions.
FCDL	FUNDING COMMITMENT DECISION LETTER	A letter that contains USAC's funding decisions on an applicant's funding requests.
FISMA	FEDERAL INFORMATION SECURITY MANAGEMENT ACT	The Federal Information Security Management Act (FISMA) is United States legislation that defines a comprehensive framework to protect government information, operations, and assets against natural or man-made threats. FISMA was signed into law as part of the Electronic Government Act of 2002.
FRN	FUNDING REQUEST NUMBER	A unique number that USAC assigns to each funding request in an FCC Form 471.
FY	FUNDING YEAR	Time during which program support is being provided. The FY begins July 1 and ends June 30 of the following calendar year.
IC	INTERNAL CONNECTIONS	A Category Two service type on the Eligible Services List. Internal Connections services are eligible products, such as routers, switches, hubs, and wiring. Eligible products are located at the applicant site and must be considered a necessity to transport information to classrooms or publicly accessible areas of a library.

Appendix B: Glossary of Acronyms

Acronym	Term	Definition
KPI	KEY PERFORMANCE INDICATOR	A Key Performance Indicator is a measurable value that demonstrates how effectively a company is achieving key business objectives. Organizations use KPIs to evaluate their success at reaching targets.
MIBS	MANAGED INTERNAL BROADBAND SERVICES	A category of service on the Eligible Services List. Services provided by a third party for the operation, management, and monitoring of internal connections components. E-rate support is limited to eligible expenses or portions of expenses that directly support and are necessary for the broadband connectivity within schools and libraries.
NIF	NON-INSTRUCTIONAL FACILITY	A school building without classrooms or a library building without public areas. Examples of school NIFs include administrative buildings, bus barns, and cafeteria facilities. Examples of library NIFs include administrative buildings, bookmobile garages, and interlibrary loan facilities.
NSLP	NATIONAL SCHOOL LUNCH PROGRAM	This federal program provides school lunches to eligible students at a free or reduced rate.
PIA	PROGRAM INTEGRITY ASSURANCE	The compliance review process of FCC Forms 471 that must be completed before funding commitments are made by USAC.
PRA	PAPERWORK REDUCTION ACT	Federal law designed to reduce the total amount of paperwork burden the federal government imposes on private businesses and citizens. The Act imposes procedural requirements on agencies that wish to collect information from the public.
RFCDL	REVISED FUNDING COMMITMENT DECISION LETTER	A letter issued by USAC to applicants and service providers when post-commitment changes occur to a funding commitment.
RIDF	RECOVERY OF IMPROPERLY DISBURSED FUNDS	An RIDF is required when there has been a COMAD but funds have already been disbursed in excess of the revised commitment amount.
SLA	SERVICE LEVEL AGREEMENT	Contract between a service provider and the end user (customer) that defines the level of service expected from the service provider.
SPIN	SERVICE PROVIDER IDENTIFICATION NUMBER	A unique number that USAC assigns to each service provider once that service provider has submitted the FCC Form 498 to USAC.
SPI	FCC FORM 474	The Service Provider Invoice Form is an FCC form that service providers submit to request reimbursement for discounted eligible services already provided to the schools or libraries on their customer bills.

Appendix C: FCC Docket Monitoring

Briefing book excludes all materials discussed in Executive Session.

Items in the E-rate docket in 2Q2019 – Only those with administrative impact are shown below.

FCC Order/ Mandate	Release Date	Description	Impact to Schools and Libraries
DA 19-326	April 30, 2019	Public Notice - Streamlined Resolution of Requests Related to Actions by USAC. The WCB make decisions on various requests and appeals.	The WCB dismissed as Moot 2 requests, dismissed for Failure to Comply with the Commission's Basic Filing Requirements 1 request, dismissed on reconsideration 1 request, granted 147 requests (127 of which were waiver requests where petitioners filed their FCC Form 471 within 14 days after the FCC Form 471 filing window deadline, denied 26 appeals, granted in part/denied in part 4 request on various grounds under the streamlined process for resolving requests for review, waiver, or reconsideration of USAC decisions related to E-rate and Contribution matters.
DA 19-420	May 17, 2019	Public Notice - Streamlined Resolution of Requests Related to Actions by USAC. The WCB make decisions on various requests and appeals.	The WCB granted 187 requests (all of which were waiver requests where petitioners filed their FCC Form 471 within 14 days after the FCC Form 471 filing window deadline), denied 37 appeals on various grounds under the streamlined process for resolving requests for review, waiver, or reconsideration of USAC decisions related to E-rate and Contribution matters.
DA 19-493	May 30, 2019	Sought comment on a Petition for Rulemaking to consider amending Part 54 of the Commission Rules, specifically with respect to the Universal Service Fund ("USF") Schools and Libraries Program ("E-Rate") competitive bidding requirements, to include safeguards which would discourage overbuilding of existing federally supported fiber networks.	None – Comments are due July 1, 2019. Reply Comments are due July 16, 2019.
DA 19-357769A	May 31, 2019	2018 Universal Service Monitoring Report - The FCC Bureau of Economics and Analytics released the twenty-first report in a series prepared by federal and state staff members for the Federal-State Joint Board on Universal Service.	None - no change in rules.
DA 19-482	May 31, 2019	Public Notice - Streamlined Resolution of Requests Related to Actions by USAC The WCB make decisions on various requests and appeals.	The WCB dismissed as Moot 6 requests, dismissed on reconsideration 2 requests, granted 68 requests (54 of which were waiver requests where petitioners filed their FCC Form 471 within 14 days after the FCC Form 471 filing window deadline), and denied 29 appeals on various grounds under the streamlined process for resolving requests for review, waiver, or reconsideration of USAC decisions related to E-rate and Contribution matters.

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

INFORMATION ITEM

Appendix A

Schools and Libraries Program 2Q2019 Update

SL 2Q2019 Updates & Accomplishments:

Funding Requests and Disbursements

- Continued the PIA review of the FY 2019 FCC Forms 471. As of June 30, over 26,858 applications have been committed for a total of \$1.1 billion.
- Committed an additional \$180 million for FY 2018. Commitments included many fiber applications for special construction. Total cumulative year to date commitments are \$2.18 billion. Disbursed \$624 million for FY 2018.

Overall Schools and Libraries Activities

- Received FCC approval of the 2019 Training and Outreach Plan, which addresses in-person and online training, as well as webinars.
- Opened registration for 2019 Service Provider, Applicant, and Tribal in-person training events.
- Substantially completed the Net56 COMAD Project as of 5/14/2019. A small number of COMADs remain, which will require special handling and/or extended research.
- Supported BPO provider's quality review processes; focused on process improvement through the development of job aids in support of PIA and Invoicing processing on areas identified through data analysis of applications returned through the quality assurance efforts.
- Identified scope and assumptions for Dashboard development to allow for tracking and enforcement of contractual service level agreements related to processing operations.
- Kicked off 2019 SL Internal Training Plan efforts for recently on-boarded staff, which will include continued development of training sessions that include a deeper dive into the E-rate processes and understanding of the financial implications of SLD program activities.
- Continued to have an ongoing presence at the Maximus Brownsville location to help identify issues, provide direction and training, and provide programmatic guidance to the supervisors and reviewers.

Planned Activities for the Next Quarter:

- Conduct Service Provider and Applicant Training at USAC offices in Washington, DC and Dallas, Texas.
- Begin issuing FY 2019 disbursements.

2Q2019 Program Metrics

Metric		Target	Apr	May	June	Variance		Description/mitigation
1A	FY 2018 Funding Commitments (\$M)	\$2,854	\$2,599	\$2,600	\$2,607	\$7	✓	Cumulative dollars requested
1B	FY 2018 Funding Commitments vol.	35,773	35,445	35,452	35,462	10	✓	Cumulative
1C	FY 2018 Funding Disbursements (\$M)	\$700	\$753	\$863	\$976	\$113	✓	Cumulative
2A	FY 2019 Funding Commitments (\$M)	\$2,856	\$597	\$868	\$1,124	\$256	⚠	Cumulative dollars requested
2B	FY 2019 Funding Commitments vol.	35,931	18,515	23,164	26,858	3,694	⚠	Cumulative
2C	FY 2019 Funding Disbursements (\$M)		\$ -	\$ -	\$ -	\$0	✓	Cumulative
3	Call Center Abandon Rate	3.0%	1.0%	0.5%	0.4%	0%	✓	Includes FY2019 window.
4	Appeals Processing (Avg Days Open)	90	140	179	119	60	⚠	Continue to work aged appeals.

Current year trend month-over-month

Legend

✓ On track
⚠ Action Required

USAC E-rate E-learning Series: Trainee Evaluation Update

Responses to Question: “Overall, did you find this training helpful?”			
	Applicant Training Series ¹	Service Provider Training Series ²	Total for E-rate E-learning Program
Yes	91.4% (480)	93.8% (150)	92.0% (630)
Yes, but could have been more helpful	6.5% (34)	6.2% (10)	6.4% (44)
No	2.1% (11)	0% (0)	1.6% (11)
Total E-Learning Respondents	525	160	685

Data and percentages based on number of evaluation respondents, not total number of course consumers.

Applicant E-learning Series Trainee Demographics	
Are from Schools or Libraries ³	57.9%
Are from Service Providers	16.8%
<1 Year E-rate Experience	61.4%
1-4 Years E-rate Experience	20.1%
>4 Years E-rate Experience	18.5%

Service Provider E-learning Series Trainee Demographics	
Are from Service Providers	80.5%
Are from Schools or Libraries	11.3%
<1 Year E-rate Experience	72.3%
1-4 Years E-rate Experience	12.6%
>4 Years E-rate Experience	15.1%

¹ 14-course E-rate Applicant E-learning Series was launched on December 15, 2018; metrics reflect percentage and total number of respondents.

² 15-course E-rate Service Provider E-learning Series was launched on February 21, 2019; metrics reflect percentage and total number of respondents.

³ School, school district, school consortium (including independent, charter, tribal, head start, parochial), or library (including library systems, library consortium).

Valuable Insights in this Evaluation Data

- With over 98% of learners telling USAC that the content is helpful, it is clear that e-learning is as an effective delivery method that is serving program participants' learning needs.
- A high percentage of E-rate learners have less than a year of program experience (61.4% for applicant series and 72.3% for the service provider series); successfully serving this group's learning needs results in reduced frustration, decrease of required support, and setting these participants up for success.
- Members of the applicant and service provider communities are finding each other's training series to be valuable; e.g., almost 17% of evaluation respondents in the applicant series are service providers.

Some of Our Learners' Comments about the USAC E-rate E-learning Series

What are we getting right?

- *I think the flipped classroom approach is a great idea and thoroughly support USAC's continued use of this methodology. I see the greatest benefit coming from the forthcoming Q&A.*
- *Appreciate the closed caption options and the play, pause, and replay. Allows for comprehension of the material.*
- *This would have been VERY helpful when I was new to E-rate programs. Even after five years, I still learned new information.*

How can we improve?

- *Would like to have printouts to follow along and write notes.*
- *If it was more interactive it would have been more effective for me.*
- *Some terms are hard to understand. Additional graphics or illustrations would be helpful.*