



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

<p><b>July 27-28, 2020</b>  <b>USAC Offices</b>  <b>700 12th Street, N.W., Suite 900</b>  <b>Washington, D.C. 20005</b></p>
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<p><b>July 27, 2020</b>  <u><b>OPEN SESSION</b></u></p>		<p><i>Estimated Duration in Minutes</i></p>
Chair	<p><b>a1.</b> Consent Items (each available for discussion upon request):  <b>A.</b> Approval of Schools and Libraries Committee Meeting Minutes of April 28, 2020</p>	3
Craig	<p><b>a2.</b> Approval of Schools and Libraries Support Mechanism 4th Quarter 2020 Programmatic Budget and Demand Projection for the July 31, 2020 FCC Filing</p>	5
Teleshia	<p><b>i1.</b> Information on Seven USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports  <i>(For Information Only)</i></p>	–
Craig	<p><b>i2.</b> Schools and Libraries Business Update</p> <ul style="list-style-type: none"> <li>• Program Administration Scorecard for Schools and Libraries</li> <li>• Schools and Libraries 2020 Training Plan Update</li> <li>• Q2 2020 Update on Schools and Libraries Administration  <i>(For Information Only)</i></li> </ul>	15

<p><b>July 28, 2020</b>  <u><b>OPEN SESSION</b></u>  <b>Confidential – Executive Session Recommended</b></p>		<p><i>Estimated Duration in Minutes</i></p>
Chair	<p><b>a1.</b> Consent Items (each available for discussion upon request):  <b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></p>	2
<p><u><b>EXECUTIVE SESSION</b></u>  <b>Confidential – Executive Session Recommended</b></p>		
Craig	<p><b>i3.</b> Schools &amp; Libraries Business Update <i>(Continued)</i></p> <ul style="list-style-type: none"> <li>• Schools and Libraries COVID-19 Outcomes</li> <li>• Training Demonstration</li> </ul>	15
Teleshia	<p><b>i4.</b> Information on Five USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports  <i>(For Information Only)</i></p>	–

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

<p><b>Monday, October 26, 2020</b>  <b>10:00 a.m. – 12:00 p.m. Eastern Time</b>  <b>USAC Offices, Washington, D.C.</b></p>
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**Universal Service Administrative Company  
Schools & Libraries Committee Meeting**

**ACTION ITEM**

**Consent Items**

**Action Requested**

The Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the consent item listed below.

**Discussion**

The Committee is requested to approve the following item using the consent resolution below:

- A. Approval of Committee meeting minutes of April 28, 2020 (*see Attachment A*).

Upon request of a Committee member, the above item is 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 the Committee meeting minutes of April 28, 2020.

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

**SCHOOLS & LIBRARIES COMMITTEE MEETING**  
**Tuesday, April 28, 2020**

**(DRAFT) MINUTES<sup>1</sup>**

Due to the temporary closure of USAC's offices in Washington, D.C. in response to the COVID-19 pandemic, the quarterly meeting of the Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) was conducted by web conference on Tuesday, April 28, 2020. Dr. Dan Domenech, Committee Chair, called the meeting to order at 10:11 a.m. Eastern Time, with a quorum of all nine Committee members present:

Buzacott, Alan	Mason, Ken
Choroser, Beth	Schell, Julie Tritt – Vice Chair
Domenech, Dr. Dan – Chair	Sekar, Radha – Chief Executive Officer
Fontana, Brent	Wade, Dr. Joan
Gregory, Amber	

Other Board members and officers of the corporation present:

Ayer, Catriona – Vice President of Shared Services  
Beckford, Ernesto – Vice President, General Counsel, and Assistant Secretary  
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management  
Choroser, Beth – Member of the Board  
Davis, Craig – Vice President of Schools and Libraries  
Delmar, Teleshia – Vice President of Audit and Assurance  
Feiss, Geoff – Member of the Board  
Freeman, Sarah – Member of the Board  
Gaither, Vic – Vice President of High Cost  
Garber, Michelle – Vice President of Enterprise Resource Program  
Gerst, Matthew – Member of the Board  
Gillan, Joe – Member of the Board  
Hutchinson, Kyle – Vice President of IT and Chief Information Officer  
Polk, Stephanie – Member of the Board  
Salvator, Charles – Vice President, Chief Financial Officer, and Assistant Treasurer  
Sweeney, Mark – Vice President of Rural Health Care

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<sup>1</sup> 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.

Tinic, Atilla – Member of the Board  
Wein, Olivia – Member of the Board  
Wibberly, Dr. Kathy – Member of the Board  
Tinic, Atilla – Member of the Board  
Waller, Jeff – Member of the Board

Others present:

<u>NAME</u>	<u>COMPANY</u>
Augustino, Steve	Kelley Drye & Warren LLP
Beach, Cyndi	USAC
Benham, Cathy	CMS Consulting Inc.
Butler, Stephen	USAC
Campos, Rosy	CMS Consulting Inc.
Carroll, Kathy	CMS Consulting Inc.
Cruzan, Cathy	Funds for Learning
D’Aguiar, J’amie	USAC
Goode, Vernell	USAC
Hall, Candice	CMS Consulting Inc.
Hamm, Aaron	USAC
James, Christine	USAC
Kaplan, Peter	Hewlett Packard Enterprise
Kriete, Debra	SECA
Lee, James	USAC
Lock, Sean	Funds For Learning
Mitchell, Tamika	USAC
Nelbach Nick	USAC
Nuzzo, Patsy	USAC
Samuels, Victoria	USAC
Tiwari, Tanya	USAC
James, Christine	USAC

### OPEN SESSION

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

- a1. Consent Items.** Dr. Domenech presented this item for consideration.
- A.** Approval of Schools and Libraries Committee Minutes of January 27, 2020.
  - B.** Approval of Moving all *Executive Session* Items into *Executive Session*:

- (1) **i3** – Schools and Libraries Business Update (*Continued*). USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data*, and *internal rules and procedures* concerning the administration of the universal service support mechanisms; discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (2) **i4** – Information on Two USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports. USAC management recommends that discussion of this item be conducted in *Executive Session* because it 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.
- (3) **a3** – Consideration of a One Year Contract Option for E-rate Productivity Center Systems Integrator Services. USAC management recommends that discussion of this item be conducted in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

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

**RESOLVED**, that the USAC Schools & Libraries Committee hereby approves: (1) the Committee meeting minutes of January 27, 2020; and (2) discussion in *Executive Session* of the items noted above.

- a2. Approval of Schools and Libraries Support Mechanism 3rd Quarter 2020 Programmatic Budget and Demand Projection for the May 1, 2020 FCC Filing.** Mr. Davis presented this item for consideration. The presentation included a written report on USAC management's recommendations for the Schools and Libraries Support Mechanism 3rd Quarter 2020 programmatic budget and demand projection for the May 1, 2020 FCC filing.

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 2020 Schools and Libraries Support Mechanism direct program budget of \$12.44 million; and

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

\$12.44 million for Schools and Libraries Support Mechanism administrative costs in the required May 1, 2020 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 28, 2020 the 3rd Quarter 2020 Schools and Libraries Support Mechanism demand estimate of \$554.76 million, hereby directs USAC staff to proceed with the required May 1, 2020 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.

- i1. Information on Three USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** The Committee received a report with information on three USAC Audit and Assurance Division Schools and Libraries Support Mechanism beneficiary audit reports. Dr. Domenech noted that the reports were for *information only* and would be posted on the USAC's public website. No discussion was held.
- i2. Schools & Libraries Support Mechanism Business Update.**
- Q1 2020 Update on Schools and Libraries Administration. The Committee received a report on Schools and Libraries 1Q2020 accomplishments, planned activities for 2Q2020 and metrics. Dr. Domenech noted that the report was provided for *information only* and would be publically posted on USAC's website. No discussion was held.

At 10:22 a.m. Eastern Time, on a motion duly made and seconded, the Committee recessed and reconvened in ***Executive Session*** at 11:54 a.m. Eastern Time for the purpose of discussing the confidential items noted above. Only members of the Board and USAC staff were present.

### **EXECUTIVE SESSION**

- i3. Schools and Libraries Support Mechanism Business Update (Continued).** Mr. Davis presented PowerPoint slides covering the following to the Committee:
- Schools and Libraries Training Plan
  - FY2021 System Updates
    - C2 Budget Timeline
    - FY2021 FCC Form 471
  - Impact of COVID-19 on Schools and Libraries Program
- i4. Information on Two USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** The Committee

received a report with information on Two USAC Audit and Assurance Division Schools and Libraries Support Mechanism beneficiary audit reports. Dr. Domenech noted that the report was provided for *information only*. No discussion was held.

- a3. Consideration of a One Year Contract Option for E-rate Productivity Center Systems Integrator Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposal to exercise the second one-year option time and material (T&M), task order-based contract for systems development and technical services supporting the E-rate Productivity Center (EPC) with Incentive Technology Group, LLC (ITG)

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

**RESOLVED**, that the Schools & Libraries Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the second one-year option time and material, task order-based contract for systems development and technical services supporting E-rate Productivity Center (EPC) with Incentive Technology Group, LLC (ITG) for a not to exceed amount of \$6.3 million, (plus applicable taxes), subject to required FCC approvals.

### **OPEN SESSION**

At 12:22 p.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 took action on item a3 and discussed item i3.

On a motion duly made and seconded, the Committee adjourned at 12:24 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary



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

**ACTION ITEM**

**Approval of Schools and Libraries Support Mechanism  
4th Quarter 2020 Programmatic Budget and  
Demand Projection for the July 31, 2020 FCC Filing**

**Action Requested:**

The Schools and Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the 4th Quarter 2020 (4Q2020) programmatic budget and demand projection for the Schools and Libraries Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's July 31, 2020 quarterly filing.

**Discussion:**

On a quarterly basis, USAC is required to submit to the FCC each program's budget<sup>1</sup> and projected demand for the upcoming quarter.<sup>2</sup>

**Funding Requirement**

USAC estimates the 4Q2020 funding requirement for the Schools and Libraries Support Mechanism as follows:

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<sup>1</sup> See 47 C.F.R. § 54.715(c).

<sup>2</sup> See 47 C.F.R. § 54.709(a)(3).

Table A. Program Funding Requirement

<i>(in millions)</i>	<b>3Q2020</b>	<b>Increase/ (Decrease)</b>	<b>4Q2020</b>	<b>Notes</b>
<b>Steady State:</b>				
Program Funding Requirement	\$534.10	\$0.00	\$534.10	See Note 1 and Table B
<b>New Requirements:</b>				
N/A	0.00	0.00	0.00	
<b>Total Program Funding Requirement</b>	<b>\$534.10</b>	<b>\$0.00</b>	<b>\$534.10</b>	
<b>Prior Period Adjustments (difference between projections and actuals):</b>				
Billings	(0.31)	5.54	5.23	
Interest Income	0.00	0.00	0.00	
Bad Debt Expense	(0.01)	(7.59)	(7.60)	
<b>Total Prior Period Adjustments</b>	<b>(\$0.32)</b>	<b>(\$2.05)</b>	<b>(\$2.37)</b>	
USAC Administrative Expenses	20.98	0.37	21.35	See Table C
<b>Total Funding Requirement</b>	<b>\$554.76</b>	<b>(\$1.68)</b>	<b>\$553.08</b>	

**Note 1:** The Program Funding Requirement represents one quarter of the total collection requirement for Funding Year 2020 of \$2,136.39 million. See Table B below for additional detail.

Table B. Funding Year 2020 Program Funding Requirement and Roll Forward

<i>(in millions)</i>	<b>Fund Year 2020</b>
<b>Estimated Demand</b>	<b>\$2,636.39</b>
<b>Less Roll Forward</b>	
Available Funds from Prior Fund Year	\$2,699.18
Disbursements	(2,051.85)
Reserved Funds, Net Change	
a. Pending Applications to Process	229.08
b. Unliquidated Obligations (ULOs)	(492.23)
c. Appeals Reserve - USAC Appeals	66.73
d. Appeals Reserve - FCC Appeals	(2.44)
e. Unpaid Invoices	51.53
<b>Total Roll Forward</b>	<b>\$500.00</b>
<b>Funding Year 2020 Collection Requirement</b>	<b>\$2,136.39</b>

The 4Q2020 Schools and Libraries Support Mechanism programmatic budget of \$21.35 million represents approximately 25% of the preliminary 2020 annual Schools and Libraries Support Mechanism programmatic budget of \$84.23 million.

Table C. Quarterly Programmatic Budget

<i>(in millions)</i>	<b>3Q2020 Budget</b>	<b>Increase/ Decrease</b>	<b>4Q2020 Budget</b>	<b>Notes</b>
<b>Direct Program Costs</b>				
Employee Expenses	\$2.12	\$0.17	\$2.29	
Professional Services	4.67	(0.00)	4.67	
General & Administrative	0.00	0.00	0.00	See Note 2
<b>Total Direct Program Costs</b>	<b>\$6.79</b>	<b>\$0.17</b>	<b>\$6.96</b>	
<b>Direct Assigned Costs</b>				
Employee Expenses	\$0.89	\$0.04	\$0.93	
Professional Services	4.18	(0.37)	3.81	
General & Administrative	0.58	0.04	0.62	See Note 2
<b>Total Direct Assigned Costs</b>	<b>\$5.65</b>	<b>(\$0.29)</b>	<b>\$5.36</b>	
<b>Total Direct Program &amp; Direct Assigned Costs</b>	<b>\$12.44</b>	<b>(\$0.12)</b>	<b>\$12.32</b>	
<b>Common Allocated Costs</b>	<b>\$8.54</b>	<b>\$0.49</b>	<b>\$9.03</b>	
<b>Total Programmatic Budget</b>	<b>\$20.98</b>	<b>\$0.37</b>	<b>\$21.35</b>	

**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, 2020 is provided in **Attachment 1**.

**Recommendation:**

USAC management recommends that the Committee approve the 4Q2020 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 2020 Schools and Libraries Support Mechanism direct program budget of \$12.32 million; and

**RESOLVED FURTHER**, that the USAC Schools and Libraries Committee directs USAC staff to submit a collection requirement of \$12.32 million for Schools and Libraries Support Mechanism administrative costs in the required July 31, 2020 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 27, 2020 the 4th Quarter 2020 Schools and Libraries Support Mechanism demand estimate of \$553.08 million, hereby

directs USAC staff to proceed with the required July 31, 2020 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, 2020

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
<b>Direct Program Costs</b>						
Employee Expenses	56	57	1	\$3.70	\$4.24	\$0.54
Professional Services (Note 3)				8.28	9.35	1.07
General & Administrative (Note 4)				0.00	0.00	0.00
<b>Total Direct Program Costs</b>				<b>\$11.98</b>	<b>\$13.59</b>	<b>\$1.61</b>
<b>Direct Assigned Costs</b>						
Employee Expenses	20	21	1	\$1.72	\$1.78	\$0.06
Professional Services (Note 3)				6.06	8.73	2.67
General & Administrative (Note 4)				1.16	1.12	(0.04)
<b>Total Direct Assigned Costs</b>				<b>\$8.94</b>	<b>\$11.63</b>	<b>\$2.69</b>
<b>Total Direct Program &amp; Direct Assigned Costs</b>	<b>76</b>	<b>78</b>	<b>2</b>	<b>\$20.92</b>	<b>\$25.22</b>	<b>\$4.30</b>
<b>Common Allocated Costs (Note 5)</b>				<b>\$14.88</b>	<b>\$16.68</b>	<b>\$1.80</b>
<b>Total Programmatic Budget</b>				<b>\$35.80</b>	<b>\$41.90</b>	<b>\$6.10</b>

**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.

Available for Public Use



# Schools and Libraries Business Update

## **Schools and Libraries Committee Meeting**

July 28, 2020



Universal Service  
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# Agenda: Schools and Libraries

Topic	Description	Purpose	Presenter	Length
Discussion Topics	<ul style="list-style-type: none"> <li>• Program Administration Scorecard for Schools and Libraries Scorecard</li> <li>• 2020 Schools and Libraries Training Plan</li> <li>• SL Updates</li> <li>• Upcoming Milestones</li> </ul>	Informational	Craig	15 Min.
Appendix A	Glossary of Acronyms and Terms	Informational	-	-
Appendix B	2Q2020 FCC Docket Summary	Informational	-	-
Appendix C	Q2 2020 Update on Schools and Libraries Administration	Informational	-	-

# Schools and Libraries Scorecard

## Commitments by First Wave

	Window Close Date	First Wave Date	Committed	
			Applications	Dollars
FY 2020	April 29	May 9	20,299	\$ 681 M
FY 2019	March 27	April 20	18,237	\$ 500 M
FY 2018	March 22	April 27	15,033	\$ 498 M

- Largest first wave ever for both applications and dollars
  - 20,299 applications vs 18,237 last year
  - \$681 million vs \$500 million last year
- Only 10 days from window close to first wave (58% reduction from FY2019)
- 26,938 (70%) of FY 2020 applications committed for \$998 million (36.4%) as of June 30.

## Authorized Disbursements (Year-over-year Performance)

	CY2019	CY2020
1Q	\$ 408.28 M	\$ 497.75 M
2Q	\$ 499.83 M	\$ 519.66 M
Total	\$ 908.11 M	\$ 1,017.41 M

## Invoice Line Counts – Closing Balance (Year-over-year Performance)

Closing Balance	CY2019	CY2020
1Q (average)	30,360	36,911
2Q (average)	28,562	11,854



# Schools and Libraries Scorecard

## Appeals (Year-over-year Performance)

Completed (cumulative)	Jan	Feb	Mar	Apr	May	Jun
2020	318	585	813	869	925	1,046
2019	22	113	183	275	325	363

Received (cumulative)	Jan	Feb	Mar	Apr	May	Jun
2020	107	242	360	420	548	648
2019	165	289	409	540	780	969

- 2020 showed marked improvement in appeals throughput over 2019
  - 188% production increase through first six months compared to 2019
  - Vendor capabilities ramped up in early 2019 and showed improvement toward end of 2019
  - Aided by improvements in quality assurance and training on QA results that returned appeals for further work.
- Reduction in appeals submitted in 2020 compared to 2019
  - 33% fewer appeals received in 2020
  - Partly due to work to reduce prior-year backlogs in all operational areas

# 2020 Schools and Libraries Training Plan

## 2020 Training Approach

- Working with FCC staff to set 2020 plan.
- Given the COVID-19 pandemic situation, USAC will shift from in-person training to development and delivery of the distance learning.

Learning Approach	Description	Benefits
<b>Live virtual training</b>	Instructor-led, live online training with collaborative and engaging content to capture learner's interest, including activities (case studies, branching scenarios, etc.) that enhance learning.	<ul style="list-style-type: none"><li>• Collaboration between program experts and participants and between participants themselves</li><li>• Increased participation and engagement</li></ul>
<b>Topic-focused office hour webinars</b>	Virtual office hours to offer program participants opportunity to connect with program experts on a specific topic or a series of topics. We will assign specific content to review in advance.	<ul style="list-style-type: none"><li>• Participants have the opportunity to ask specific questions and speak with program experts</li><li>• Increased rapport between program participants and program experts</li></ul>
<b>E-learning modules and videos</b>	Self-paced, learner-centered, concise modules for beginner to advanced level learners, including periodic knowledge checks.	<ul style="list-style-type: none"><li>• Promotes active learning and engagement with content</li><li>• Better retention of program concepts</li><li>• Knowledge checks</li><li>• Step-by-step demonstration of how to perform a task, such as a properly completed FCC Form 470.</li></ul>

# Schools and Libraries Updates

## **EPC & BEAR MFA (Multifactor Authentication):**

- BEAR UAT (user acceptance testing) is complete and EPC UAT is in progress.
- IT Deployment plans and coordination is in progress.

## **2021 C2 Budget and FCC Form 471:**

- Business Requirements Document (BRD) completed
- PRA approval is needed for the October release, which will include the new Entity Profile Attributes

## **2021 C2 Budget Tool:**

- Business Requirements Summary (BRS) completed
- Technical Design Document to be delivered next Month

# Upcoming Milestones

- September 1 target for completing all workable FY 2020 FCC Forms 471
- FCC Form 470 will be available July 1 for FY 2021
- FY 2021 FCC Form 471 development
  - Changes to FCC Forms 471 in EPC and on the USAC website (Open Data and other tools)
  - Outreach, training materials, and USAC.org updates on form changes/availability
- FY 2020 invoicing begins in August (for July invoices)
- 2020 Applicant and Service Provider training distance learning sessions

# Appendix A: Glossary of Terms

Acronym	Terms	Definition
<b>BEAR</b>	Billed Entity Application Reimbursement Form (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.
<b>BEN</b>	Billed Entity Number	A unique number assigned by USAC to each billed entity (school, library, or consortium) that pays for services.
<b>BMIC</b>	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.
<b>C2 Budget</b>	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.
<b>COMAD</b>	Commitment Adjustment	The process by which a funding commitment is reduced because of program rule violations.
<b>CSB</b>	Client Service Bureau	A helpline available to assist applicants and service providers. You can call CSB toll free at (888) 203-8100.
<b>FRN</b>	Funding Request Number	A unique number that USAC assigns to each funding request in an FCC Form 471.
<b>FY</b>	Funding Year	Time during which program support is being provided. The FY begins July 1 and ends June 30 of the following calendar year.
<b>IC</b>	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 A: Glossary of Terms

Acronym	Terms	Definition
<b>MIBS</b>	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.
<b>NSLP</b>	National School Lunch Program	This federal program provides school lunches to eligible students at a free or reduced rate.
<b>PIA</b>	Program Integrity Assurance	The compliance review process of FCC Forms 471 that must be completed before funding commitments are made by USAC.
<b>RFCDL</b>	Revised Funding Commitment Decision Letter	A letter issued by USAC to applicants and service providers when post-commitment changes occur to a funding commitment.
<b>RIDF</b>	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.
<b>SLA</b>	Service Level Agreement	Contract between a service provider and the end user (customer) that defines the level of service expected from the service provider.
<b>SPIN</b>	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.
<b>SPI</b>	Service Provider Invoice ( 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 B: FCC Docket Monitoring

Items in the E-rate docket in 2Q2020 – Only those with administrative impact are shown.

FCC/DA#	Release Date	Description	Impact to Schools and Libraries
DA 20-364	Apr. 1, 2020	Order – In the Matter of Schools and Libraries Universal Service Support Mechanism	FCC Extends Key E-Rate Program Deadlines Due to COVID-19 Pandemic Order: To provide relief to E-Rate program participants affected by this unprecedented national pandemic, FCC temporarily waived and extended several E-Rate filing and service implementation deadlines. The Order directs USAC to provide all program participants an automatic 30-day extension to respond to information requests related to pending appeals, invoices, FCC Form 500 requests, and audits.
DA 20-455	Apr. 27, 2020	Order – Request for Review of a Decision of the Universal Service Administrator by Park Hill School District, Kansas City, Missouri	WCB granted Park Hill’s appeal and directed USAC to reinstate their FY 2016 and 2017 funding requests. WCB found that Park Hill did not violate the Commission’s rules by sharing its self-provisioned network with the city of Kansas City, Missouri.
DA 20-464	Apr. 30, 2020	Public Notice – Streamlined Resolution of Requests Related to Actions by USAC	WCB issued a streamlined Public Notice resolving requests for review, waiver, or reconsideration of USAC decisions. For the E-rate program, WCB dismissed 13, granted 8, and denied 12 requests on various grounds.
DA 20-466	Apr. 30, 2020	Letter from FCC Wireline Communications Bureau to USAC	FCC approved USAC’s Schools and Libraries Funding Year 2020 Program Integrity Assurance FCC Form 471 Review Procedures.
DA 20-572	May 29, 2020	Public Notice – Streamlined Resolution of Requests Related to Actions by USAC	WCB issued a streamlined Public Notice resolving requests for review, waiver, or reconsideration of USAC decisions. For E-rate WCB dismissed one, granted over 100, and denied 18 requests on various grounds.
DA 20-957	June 8, 2020	Letter to USAC – from Kris Monteith, Chief, Wireline Communications Bureau	WCB provided guidance and directed USAC that for FY 2020 USAC not deny any application or issue a commitment adjustment for any application solely because the applicant selected the “Internet Access: ISP Service Only (No Transport Circuit Included)” drop-down menu option and subsequently selected on its FCC Form 471 a service that delivers Internet access to its premises.
DA 20-598	June 8, 2020	Public Notice – FCC Form 470 to remain unchanged for FY 2021	WCB released a PN notifying E-Rate program participants that the FCC Form 470 will remain unchanged for FY 2021 to allow schools and libraries to continue to focus their time and resources on responding to the COVID-19 pandemic.

# Appendix B: FCC Docket Monitoring

Items in the E-rate docket in 2Q2020 – Only those with administrative impact are shown.

FCC/DA#	Release Date	Description	Impact to Schools and Libraries
DA 20-624	June 15, 2020	Public Notice – Streamlined Resolution of Requests Related to Actions by USAC	WCB issued a streamlined Public Notice granting over 100 E-rate deadline waiver requests for FY 2020.
DA 20-656	June 30, 2020	Public Notice – Streamlined Resolution of Requests Related to Actions by USAC	WCB issued a streamlined Public Notice resolving requests for review, waiver, or reconsideration of USAC decisions. For the E-rate program, WCB dismissed 1, granted 50, and denied 9 requests on various grounds.



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

**INFORMATION ITEM**

**Schools and Libraries Business Update**

**Q2 2020 Update on Schools and Libraries Administration**

**SL 2Q2020 Updates & Accomplishments:**

- Committed over \$680 million for over 20,000 FCC Form 471 applications in first FY 2020 wave. Cumulative FY 2020 commitments through 2Q2020 were \$998 million for 26,938 applications.
- Committed 579 of 1,093 (53.0%) FY 2020 fiber applications for \$40 million through June 30; 514 applications remain pending for \$267.3 million.
- 8% increase in FY 2020 Category 2 (C2) application processing with 50.4% completed in 2020 compared to 42.4% through the same period in 2019.
- 6.7% increase in FY 2020 Consortia application processing with 39.3% completed in 2020 compared to 32.6% through the same period in 2019.
- Authorized disbursements of \$519.66 million for all funding years in 2Q2020.

**Overall Schools and Libraries Activities:**

- Cumulative FY 2019 commitments through 2Q2020 total \$2.34 billion and FY 2019 support disbursed through June 30 was \$1.07 billion. As of June 30, 245 application reviews were in progress (\$106.4 million requested).
- For FY 2019 Fiber applications, committed 1038 of 1,043 (99.5%) of the applications through June 30; 5 applications remain pending for \$30.4 million.
- Reduced invoice line item balance in 2Q2020 by 68% from 1Q2020 and by 59% year-over-year for 2Q.
- USAC's in-house team committed over 2,500 applications for approximately \$250 million in 2Q2020.
- Resolved 263 appeals in 2Q2020 for 2,379 funding requests and \$3.4 million.
- Implemented system and process changes around FCC COVID-19 Orders for all operational areas giving more time for applicants to respond.
- Created and approved the Business Requirements Documentation (BRD) for upcoming C2 Budget changes on schedule.
- Completed BRD for Multi-Factor Authentication (MFA) that detailed functional specification support for IT, User Acceptance Planning and Execution, and outreach to E-rate participants.
- Partnered with USAC-IT to implement the automation of the FCC Form 486 deadline extension granted for COVID-19 relief.

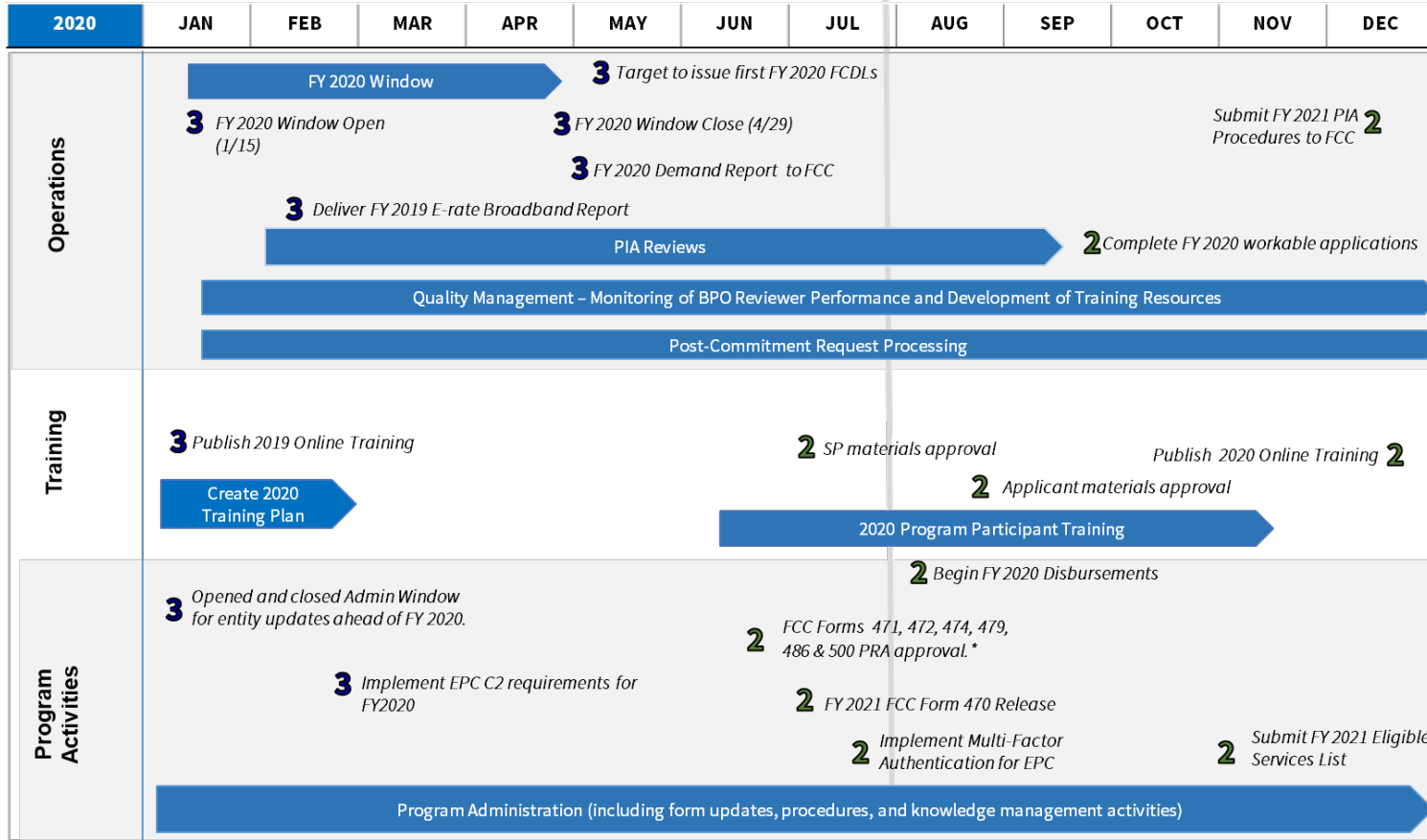
- Partnered with USAC-IT to implement the Summer/Winter Deferral history in EPC for applicant's response to SLD inquiries to better track applicant availability and more efficiently process applications.

**Planned Activities for the Next Quarter:**

- Continue reviews of FY 2020 applications working toward 9/1/2020 performance target.
- Multi-Factor Authentication implementation for EPC and BEAR submission application on track to Go Live on July 24.

Available for Public Use

## 2020 Road Ahead



**Milestone Legend**

**3** Completed

**2** On Track

**1** At Risk

\* Subject to FCC Approval  
 All milestones are on track



- Completed Milestones
- FY 2020 Filing Window closed 4/29
  - FY 2020 Demand Estimate to FCC 5/1
  - First FY 2020 Wave 5/9

Available for Public Use

**2020 Program Metrics:**

Metric		Target	April	May	June	Variance		Description/mitigation
1A	FY 2019 Funding Commitments (\$M)	\$2,962	\$2,755	\$2,813	\$2,856	\$106	✓	Cumulative \$ requested complete
1B	FY 2019 Funding Commitments vol.	36,454	36,190	36,195	36,211	243	✓	Cumulative applications complete
1C	FY 2019 Funding Disbursements (\$M)	\$1,200	\$808	\$933	\$1,058	\$142	✓	Cumulative authorized disbursements
2A	FY 2020 Funding Commitments (\$M)	\$2,910		\$879	\$1,076	\$1,834	✓	Cumulative \$ requested complete
2B	FY 2020 Funding Commitments vol.	38,207		23,401	26,938	11,269	✓	Cumulative applications complete
2C	FY 2020 Funding Disbursements (\$M)	\$0		\$0	\$0	\$0	✓	Cumulative authorized disbursements
3	Call Center Abandon Rate	3.0%	1.5%	1.0%	2.5%	0.5%	✓	
4	Appeals Processing (Avg Days Open)	90	78	59	68	22	✓	Excludes appeals on hold.

**Legend**

-  On track
-  Action Required

Universal Service Administrative Company  
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ACTION ITEM

Consent Items

**Action Requested**

The Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the consent item listed below.

**Discussion**

The Committee is requested to approve the following item using the consent resolution below:

B. Approval of moving all *Executive Session* items into *Executive Session*:

- (1) **i3** – Schools and Libraries Business Update (*Continued*). USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data*, and *internal rules and procedures* concerning the administration of the universal service support mechanisms; discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (2) **i4** – Information on Five USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports. USAC management recommends that discussion of this item be conducted in *Executive Session* because it relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.

Upon request of a Committee member, the above item is 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 discussion in *Executive Session* of the items noted above.