



Schools & Libraries Open Session

Briefing Book

Available For Public Use

October 26, 2020

Virtual Meeting

Universal Service Administrative Company Offices

700 12th Street, N.W., Suite 900

Washington, D.C. 20005

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

USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005

October 26, 2020		<i>Estimated Duration in Minutes</i>
<u>OPEN SESSION</u>		
Chair	a1. Consent Items (each available for discussion upon request): A. Approval of Schools and Libraries Committee Meeting Minutes of July 27 and July 28, 2020. B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>	5
Craig	a2. Approval of Schools and Libraries Support Mechanism 1st Quarter 2021 Programmatic Budget and Demand Projection for the November 2, 2020 FCC Filing	5
Craig	a3. Consideration of Funding Year 2021 Filing Window Dates	5
Teleshia	i1. Information on Nine USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports (<i>For Information Only</i>)	–
Craig	i2. E-rate Business Update <ul style="list-style-type: none"> • Program Administration Update for Schools and Libraries • System Update • FY 2021 Readiness • Q3 2020 Update on Schools and Libraries Administration (<i>For Information Only</i>) 	20

October 27, 2020		
<u>Executive Session</u>		
Confidential – Executive Session Recommended		
Chris	a4. Consideration of a Contract Award for Appian Cloud Services and Licenses	5
Chris	a5. Consideration of a One-Year Contract Option for Schools & Libraries Program Business Processing Outsourcing Services	5
Craig	i3. E-rate Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • GAO Risk Assessment 	15

Next Scheduled USAC Schools & Libraries Committee Meeting

January 25-26, 2021 Virtual Meeting
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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 items listed below.

Discussion

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

- A. Approval of Committee meeting minutes of July 27 and July 28, 2020 (*see Attachment A-1 and A-2*).

- B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **a4**. Consideration of a Contract Award for Appian Cloud Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
 - (2) **a5**. Consideration of a One-Year Contract Option for Schools & Libraries Program Business Processing Outsourcing Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
 - (3) **i3** – E-rate 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.

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 July 27 and July 28, 2020; and (2) discussion in *Executive Session* of the items noted above.

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

SCHOOLS & LIBRARIES COMMITTEE MEETING
Monday, July 27, 2020

(DRAFT) MINUTES¹

Due to the COVID-19 pandemic, USAC continued mandatory telework; therefore the quarterly *Open Session* meeting of the Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) was conducted by web conference on Monday, July 27, 2020. Dr. Dan Domenech, Committee Chair, called the meeting to order at 10:25 a.m. Eastern Time, with a quorum of eight of the nine Committee members present:

Buzacott, Alan
Choroser, Beth
Domenech, Dr. Dan – Chair
Gregory, Amber

Mason, Ken
Schell, Julie Tritt – Vice Chair
Sekar, Radha – Chief Executive Officer
Wade, Dr. Joan

Members of the Committee not present:

Fontana, Brent

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 – Chief Administrative Officer
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
Gerst, Matthew – Member of the Board
Gillan, Joe – Member of the Board
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Jacobs, Ellis – Member of the Board

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.

Salvator, Charles – Vice President, Chief Financial Officer, and Assistant Treasurer
Sweeney, Mark – Vice President of Rural Health Care
Wein, Olivia – Member of the Board
Wibberly, Dr. Kathy – Member of the Board
Waller, Jeff – Member of the Board

Others present:

<u>NAME</u>	<u>COMPANY</u>
Augustino, Steve	Kelley Drye & Warren LLP
Benham, Cathy	CMS Consulting Inc.
Campos, Rosy	CMS Consulting Inc.
D’Aguiar, J’amie	USAC
DiVo, Victor	USAC
Goode, Vernell	USAC
Hall, Candice	CMS Consulting Inc.
Hamm, Aaron	USAC
James, Christine	USAC
Kaplan, Peter	Hewlett Packard Enterprise
Kriete, Debra	SECA/South Dakota DOE
Lee, James	USAC
LeNard, David	E-Rate Elite Services, Inc.
Nelbach Nick	USAC
Nuzzo, Patsy	USAC
Samuels, Victoria	USAC
Tiwari, Tanya	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 April 28, 2020.

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 the Committee meeting minutes of April 28, 2020.

a2. Approval of Schools and Libraries Support Mechanism 4th Quarter 2020 Programmatic Budget and Demand Projection for the July 31, 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 4th Quarter 2020 programmatic budget and demand projection for the July 31, 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 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.

- i1. Information on Seven USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** The Committee received a report with information on seven 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 Business Update.** Mr. Davis presented PowerPoint slides covering the following items to the Committee:
 - Schools and Libraries Scorecard
 - 2020 Schools and Libraries Training Plan
 - Schools and Libraries Updates
 - Upcoming Milestones
 - Q2 2020 Update on Schools and Libraries Administration. The Committee received a report on Schools and Libraries 2Q2020 accomplishments, planned activities for 3Q2020, and program metrics. The report was provided for *information only* and was publically posted on the USAC's website. No discussion was held.

On a motion duly made and seconded, the Committee adjourned at 10:56 p.m. Eastern Time with Dr. Domenech noting that an *Executive Session* meeting for the Committee would be held on July 28, 2020.

/s/ Ernesto Beckford
Assistant Secretary

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

SCHOOLS & LIBRARIES COMMITTEE MEETING
Tuesday, July 28, 2020

(DRAFT) MINUTES¹

Due to the COVID-19 pandemic, USAC continued mandatory telework; therefore the quarterly *Executive Session* meeting of the Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) was conducted by web conference on Tuesday, July 28, 2020. Dr. Dan Domenech, Committee Chair, called the meeting to order at 11:05 a.m. Eastern Time, with a quorum of eight of the nine Committee members present:

Buzacott, Alan
Choroser, Beth
Domenech, Dr. Dan – Chair
Gregory, Amber

Mason, Ken
Schell, Julie Tritt – Vice Chair
Sekar, Radha – Chief Executive Officer
Wade, Dr. Joan

Members of the Committee not present:

Fontana, Brent

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 – Chief Administrative Officer
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

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.

Jacobs, Ellis – Member of the Board
Polk, Stephanie – Member of the Board
Salvator, Charles – Vice President, Chief Financial Officer, and Assistant Treasurer
Sweeney, Mark – Vice President of Rural Health Care
Wein, Olivia – Member of the Board
Wibberly, Dr. Kathy – Member of the Board
Waller, Jeff – Member of the Board

Others present:

<u>NAME</u>	<u>COMPANY</u>
Curtis, Shaun	USAC
DiVo, Victor	USAC
Goode, Vernell	USAC
Hamm, Aaron	USAC
James, Christine	USAC
Lee, James	USAC
Little, Chris	USAC
Mitchell, Tamika	USAC
Nelbach Nick	USAC
Nuzzo, Patsy	USAC
Samuels, Victoria	USAC
Tiwari, Tanya	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.

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.

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 discussion in *Executive Session* of the items noted above.

At 11:07 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 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 impact of COVID-19 on the Program and Mr. Little provided a demonstration on Schools and Libraries training.
- i4. **Information on Five USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** The Committee received a report with information on five 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.

OPEN SESSION

At 11:27 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 i3.

On a motion duly made and seconded, the Committee adjourned at 11:27 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
1st Quarter 2021 Programmatic Budget and
Demand Projection for the November 2, 2020 FCC Filing**

Action Requested:

The Schools and Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the 1st Quarter 2021 (1Q2021) programmatic budget and demand projection for the Schools and Libraries Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's November 2, 2020 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

Funding Requirement

USAC estimates the 1Q2021 funding requirement for the Schools and Libraries Support Mechanism as follows:

¹ See 47 C.F.R. § 54.715(c).

² See 47 C.F.R. § 54.709(a)(3).

Table A. Program Funding Requirement

<i>(in millions)</i>	4Q2020	Increase/ (Decrease)	1Q2021	Notes
Steady State:				
Program Funding Requirement	\$534.10	\$0.00	\$534.10	See Note 1 and Table B
New Requirements:				
N/A	0.00	0.00	0.00	
Total Program Funding Requirement	\$534.10	\$0.00	\$534.10	
Prior Period Adjustments (difference between projections and actuals):				
Billings	5.23	59.50	64.73	
Interest Income	0.00	0.00	0.00	
Bad Debt Expense	(7.60)	0.25	(7.35)	
Total Prior Period Adjustments	(\$2.37)	59.75	57.38	
USAC Administrative Expenses	21.35	(1.56)	19.79	See Table C
Total Funding Requirement	\$553.08	58.19	\$611.27	

Note 1: The Program Funding Requirement represents one quarter of the total funding requirement for Funding Year 2020 of \$2,636.39 million, less \$500 million that the FCC authorized USAC to carry forward to meet demand for Funding Year 2020. See Table B below for additional detail.

Note 2: Table B is an annual schedule that is updated once a year for the April Board meeting. The table below has no changes subsequent to the April 2020 Board meeting.

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

<i>(in millions)</i>	Fund Year 2020
Estimated Demand	\$2,636.39
Less Roll Forward	
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
Total Roll Forward	\$500.00
Funding Year 2020 Collection Requirement	\$2,136.39

Based on the projected burn rate, USAC estimates the following 1Q2021 programmatic budget:

Table C. Quarterly Programmatic Budget

<i>(in millions)</i>	4Q2020 Budget	Increase/ Decrease	1Q2021 Budget	Notes
Direct Program Costs				
Employee Expenses	\$2.29	(\$0.19)	\$2.10	
Professional Services	4.67	(0.89)	3.78	
General & Administrative	0.00	0.00	0.00	See Note 3
Total Direct Program Costs	\$6.96	(\$1.08)	\$5.88	
Direct Assigned Costs				
Employee Expenses	\$0.93	(\$0.03)	\$0.90	
Professional Services	3.81	(0.14)	3.67	
General & Administrative	0.62	(0.04)	0.58	See Note 3
Total Direct Assigned Costs	\$5.36	(\$0.21)	\$5.15	
Total Direct Program & Direct Assigned Costs	\$12.32	(\$1.29)	\$11.03	
Common Allocated Costs	\$9.03	(\$0.27)	\$8.76	
Total Programmatic Budget	\$21.35	(\$1.56)	\$19.79	

Note 3: General & Administrative expenses include computer support & maintenance and meetings & conferences.

A comparison of actual expenditures to the budget for the nine months ending September 30, 2020 is provided in **Attachment 1**.

Recommendation:

USAC management recommends that the Committee approve the 1Q2021 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 1st Quarter 2021 Schools and Libraries Support Mechanism direct program budget of \$11.03 million; and

RESOLVED FURTHER, that the USAC Schools and Libraries Committee directs USAC staff to submit a collection requirement of \$11.03 million for Schools and Libraries Support Mechanism administrative costs in the required November

2, 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 October 26, 2020 the 1st Quarter 2021 Schools and Libraries Support Mechanism demand estimate of \$611.27 million, hereby directs USAC staff to proceed with the required November 2, 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 Nine Months Ending September 30, 2020

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	58	57	(1)	\$5.66	\$6.36	\$0.70
Professional Services (Note 4)				11.45	14.02	2.57
General & Administrative (Note 5)				0.00	0.00	0.00
Total Direct Program Costs				\$17.11	\$20.38	\$3.27
Direct Assigned Costs						
Employee Expenses	19	21	2	\$2.56	\$2.67	\$0.11
Professional Services (Note 4)				8.78	12.91	4.13
General & Administrative (Note 5)				1.75	1.70	(0.05)
Total Direct Assigned Costs				\$13.09	\$17.28	\$4.19
Total Direct Program & Direct Assigned Costs	77	78	1	\$30.20	\$37.66	\$7.46
Common Allocated Costs (Note 6)				\$22.76	\$25.22	\$2.46
Total Programmatic Budget				\$52.96	\$62.88	\$9.92

Note 4: 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 5: General & Administrative expenses include computer support & maintenance, rent, printing & postage, and meetings & conferences.

Note 6: 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.

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

ACTION ITEM

Consideration of Funding Year 2021 Filing Window Dates

Action Requested

The Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to authorize USAC to open the Funding Year (FY) 2021 application filing window no earlier than January 2021, and to close the window no earlier than March 2021.

Discussion

A Funding Year 2021 filing window opening no earlier than January 2021 and closing no earlier than March 2021 will provide a reasonable time period for applicants to submit their FCC Form 471 funding applications. The application filing window has typically been opened in the first quarter of the calendar year, which strikes a balance between giving applicants time to complete their competitive bidding reviews while providing USAC time to review the applications so that funding decisions can be issued before the school year starts. We used this same timeframe for FY 2020, and even with the FCC's extension of the filing window until April 29, 2020 due to the coronavirus pandemic, USAC was able to issue funding commitments for over 90% of workable applications by September 1, 2020. While many factors played a role in the timely issuance of decisions, a key factor in past funding years was opening and closing the application filing window in the first quarter.

USAC is requesting approval to open the FY 2021 application filing window no earlier than January 2021, and to close the window no earlier than March 2021. This timeframe aligns with the Application Filing Window dates over the past few years and will help USAC to issue timely funding commitments.

Section 54.502 of the Federal Communications Commission's (FCC) rules mandates that the filing window cannot open until sixty (60) days after the release of the Eligible Services List (ESL) by the FCC.¹ The FCC issued a public notice seeking comments on the proposed Funding Year 2021 ESL on July 21, 2020.² The FCC had not issued the FY 2021 ESL as of October 7, 2020.

¹ See 47 C.F.R. § 54.502.

² See *Wireline Competition Bureau Seeks Comment on Proposed Eligible Services List for the E-rate Program*, WC Docket No. 13-184, Public Notice, DA 20-767 (Jul. 21, 2020).

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USAC management recommends that the Committee approve the requests discussed in this briefing paper, subject to the requirements of Section 54.502 of the Commission's rules.

Recommended Schools & Libraries Committee Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Schools & Libraries Committee accepts the recommendation of USAC management to open the Funding Year 2021 filing window open no earlier than January 2021 and to close the Funding Year 2021 filing window no earlier than March 2021, subject to the requirements of Section 54.502 of the Commission's rules; and

RESOLVED FURTHER, that upon consultation with the Committee Chair, USAC management is authorized to adjust the Funding Year 2021 filing window opening and closing dates, as circumstances may warrant.



E-rate Business Update

Schools and Libraries Committee Meeting

October 26, 2020

Agenda: E-Rate

Topic	Description	Purpose	Presenter	Length
Discussion Topics	<ul style="list-style-type: none"> • Program Administration Scorecard for E-rate Scorecard <ul style="list-style-type: none"> ○ FY 2020 Status ○ Second FY 2020 Window ○ Fiber Trends • Systems Update • FY 2021 Readiness 	Informational	Craig	15 min
Appendix A	Q3 2020 FCC Docket Summary	Informational	-	-
Appendix B	Q3 2020 Update on E-rate Administration	Informational	-	-

E-Rate Scorecard

- 38,683 total applications are considered “In Window” requesting \$2.96 billion
- 34,819 applications (90%) have been reviewed/processed for \$1.68 billion in commitments (\$1.9 billion reviewed) through Sept. 30.
 - **Fiber applications:** 916 of 1,121 applications reviewed (\$114 million committed); 205 applications pending (\$182 million requested) through Sept. 30.

Type	Applications			Dollars (in millions)			
	Apps Submitted	Committed	% Committed	Requested	Reviewed	Approved	% Reviewed
C1	23,659	22,137	93.6%	\$ 1,768	\$ 1,271	\$ 1,156	71.9%
C2	15,024	12,682	84.4%	\$ 1,191	\$ 627	\$ 520	52.6%
Total	38,683	34,819	90.0%	\$ 2,959	\$ 1,898	\$ 1,676	64%

Data as of Sept. 30, 2020

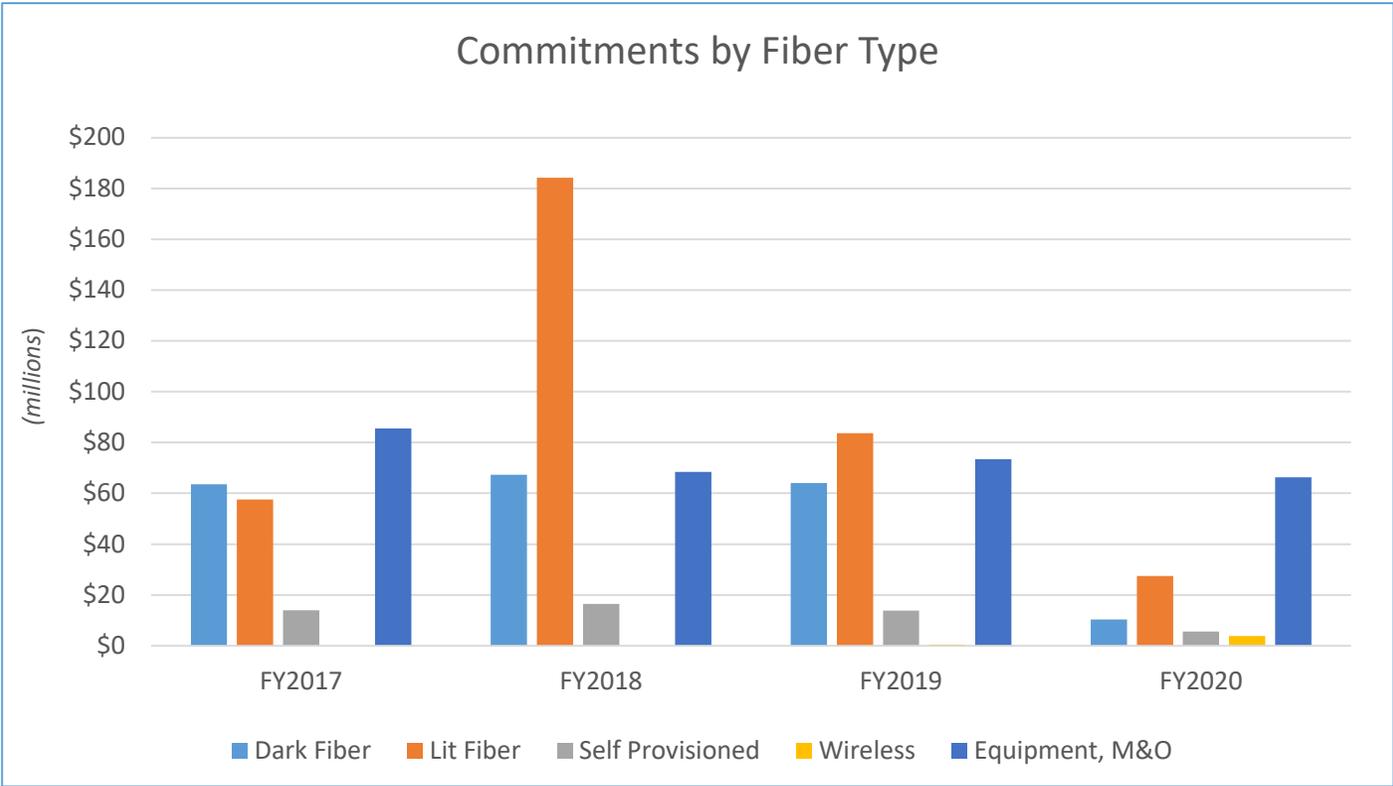
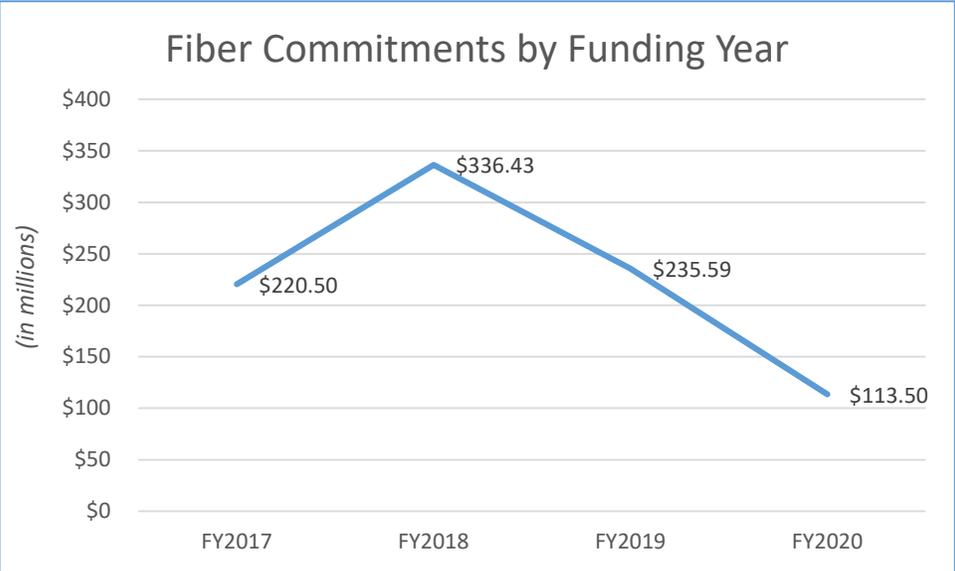
FY 2020 Second Window

FCC Order DA 20-1091 (released Sept. 16, 2020)

- Second FY 2020 window for bandwidth requests (Sept. 21 to Oct. 16, 2020)
- The Order does not require a new competitive bidding process, but participants must complete any competitive bidding that may be required under state and local laws.
- USAC shall grant funding requests where the price per megabit is the same or less than the original contract. If price per megabit is higher than the original contract, USAC will limit the funding commitment to the price per megabit in the original contract.
- The Order does not relieve service providers of their obligation to offer the lowest corresponding price for services.
- The Order requires applicants to provide additional information in the narrative section of FCC Form 471 about the price per megabit in both the original and new funding requests. In addition, applicants must highlight any difference in pricing to facilitate and expedite USAC's review.

Fiber Trends

- FY 2020 Fiber requested dollars continue to trend lower year over year.
- FY 2020 Fiber application counts also continue to trend lower with dark fiber and self-provisioned applications at a four-year low.



Systems Update

FY 2020 Second Window

- EPC Team deployed an update to FCC Form 470 to enable applicants to submit them for either FY 2020 or FY 2021.

2021 C2 Budget and FCC Form 471 Update

- Phase 1 – Entity Profile Management
 - Administrative Window will open subsequent to the FY 2020 Window 2 close.
- Phase 2 – C2 Budget, FCC Form 471 & Exception Generation Updates
 - Release scheduled for December 15

Streamlined BEAR Disbursement

- Deployed in early October to enable individual BEAR invoice line items to be paid.

Supply Chain Order (Updating FCC Form 473)

- A checkbox and certification language will be added to the FCC Form 473 to ensure Service Providers certify that they are not using universal service support to purchase equipment or services from any company posing a national security threat to the integrity of communications networks or the communications supply chain.

FY 2021 Readiness

- FY 2021 FCC Form 471 Filing Window preparations
 - FY 2021 FCC Form 471 development
 - Category 2 (C2) Budget Changes for FY 2021
 - EPC Changes
 - C2 Budget Tool deployed August 13
- Training & Outreach
 - Revised plan due to pandemic conditions and the FCC's requested shift to virtual training opportunities
 - Will continue to focus on live remote learning and self-paced modular capabilities
- Administrative Preparations
 - Eligible Services List
 - PIA Procedures
 - Window Date Approvals

Appendix A: FCC Docket Monitoring

Items in the E-rate docket in 3Q2020 – Only those with administrative impact are shown.

FCC/DA#	Release Date	Description	Impact to Schools and Libraries
DA 20-712	Jul. 6, 2020	Public Notice - Wireline Competition Bureau Directs USAC to Fully Fund Eligible Category One and Category Two E-rate Requests	WCB announced there was sufficient funding available to fully meet USAC's estimated demand for Category One and Category Two requests for E-rate supported services for FY 2020.
DA 20-767	Jul. 21, 2020	Public Notice – Wireline Competition Bureau Seeks Comment on Proposed Eligible Services List for the E-rate Program	WCB issued a PN seeking comments on the proposed eligible services list (ESL) for the E-rate Program for FY 2021.
DA 20-792	Jul. 31, 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 one, granted 29, and denied five requests on various grounds.
DA 20-845	Aug. 6, 2020	Order – In the Matter of Requests for Waiver of the Decisions of the Universal Service Administrator by Agri-Business Child Development, Schenectady, NY, and others.	WCB issued an Order waiving the funding year 2020 FCC Form 471 application filing window deadline to provide additional, limited relief for applicants affected by the pandemic and submitted their applications within 60 days of the close of the filing window. WCB directed USAC to process these late-filed applications as if they were timely filed.
FCC 20-113	Aug. 17, 2020	Order – In the Matter of Requests for Waiver of the Decisions of the Universal Service Administrator by Sioux Falls School District 49-5 Sioux Falls, South Dakota	The FCC released an Order granting an application for review filed by the Sioux Falls School District 49-5 that had made an error on its FY 2016 application by entering the wrong dollar amount in a field that it misinterpreted. The FCC stated that it was a correctable clerical error that USAC had several opportunities to fix before Sioux Falls resorted to filing its filed appeal.
DA 20-964	Aug. 31, 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 one, dismissed on reconsideration three, granted 74, and denied 19 requests.
DA 20-1021	Sept. 3, 2020	Order – In the Matter of Rural Health Care Universal Service Support Mechanism; Schools and Libraries Universal Service Support Mechanism	WCB issued an Order waiving the E-Rate and RHC gift rules through Dec. 31, 2020. WCB also directed USAC to provide a 30-day extension to E-Rate Program participants impacted by the pandemic that request an extension to respond to certain USAC information requests, including those related to Program Integrity Assurance (PIA) requests, issued through December 31, 2020.

Appendix A: FCC Docket Monitoring *(continued)*

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 20-1091	Sept. 16, 2020	Order - In the Matter of the E-rate Universal Service Support Mechanism	Wireline Competition Bureau announced the opening of a second FY 2020 filing window to allow schools to request additional E-Rate funding specifically to address increased on-campus bandwidth needs.
DA 20-1129	Sept. 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 one, granted 14, and denied nine requests on various grounds.

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

INFORMATION ITEM

**Appendix B
E-rate Business Update
Q3 2020 Update on Schools and Libraries Administration**

SL 3Q2020 Updates & Accomplishments:

- Achieved 91.6% completion of workable FY 2020 applications as of 9/1/2020.
- Cumulative FY 2020 commitments through 3Q2020 total \$1.68 billion for 34,819 applications. As of September 30, 4,399 application reviews were in progress (\$1.06 billion requested).
- Committed 916 of 1,121 (81.7%) FY 2020 fiber apps for \$114 million through September 30; 205 applications remain pending for \$182 million.
- 93.6% of Category One applications completed committing \$1.12 billion as of September 30. 1,522 applications in review requesting \$585.4 million.
- 84.4% of Category Two applications completed committing \$521 million as of September 30. 2,342 applications in review requesting \$585.4 million.
- 1,290 of 1,774 FY 2020 Consortia applications completed committing \$131.1 million; 484 applications in review requesting \$279.5 million.
- Authorized disbursements of \$551 million for all funding years in 3Q2020.

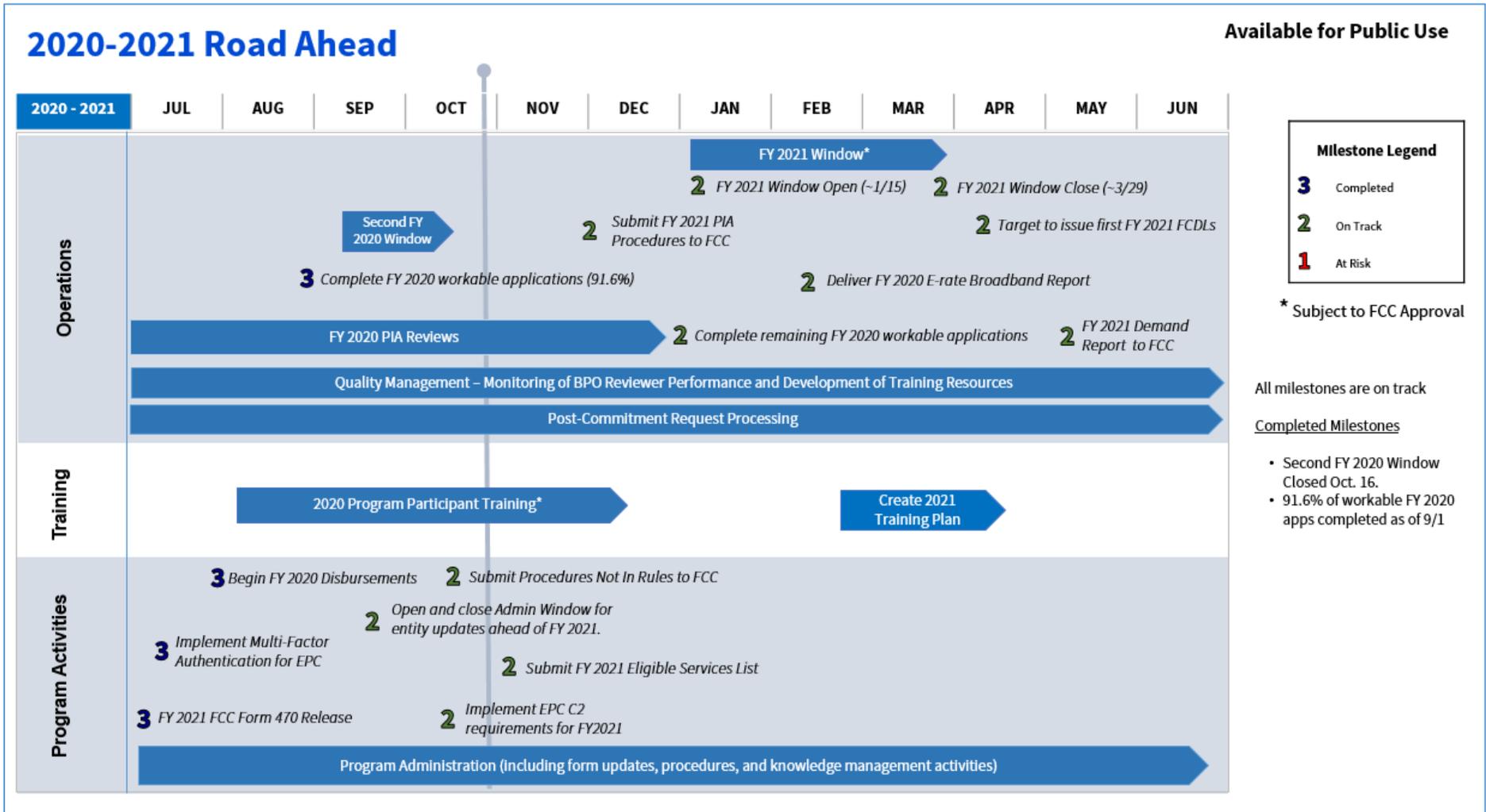
Overall Schools and Libraries Activities:

- Cumulative FY 2019 commitments through 3Q2020 total \$2.36 billion and FY 2019 support disbursed through September 30 was \$1.46 billion. As of September 30, 211 application reviews were in progress (\$50 million requested).
- For FY 2019 Fiber applications, committed 1,041 of 1,044 (99.7%) of the applications through September 30; 3 applications remain pending for \$2.0 million.
- Reduced invoice line item balance in 3Q2020 by 60% from January 2020 and by 58% year-over-year for 3Q.
- USAC's in-house team committed over 1,400 applications for approximately \$106 million in 3Q2020.
- Resolved 336 appeals in 3Q2020 and \$4.3 million.
- Implemented system and process changes around FCC COVID-19 Orders for all operational areas giving more time for applicants to respond to USAC inquiries and extending a waiver of the E-rate Gift rules until 12/31/2020.
- Deployed the new Category Two (C2) budget tool on August 13 for the five-year cycle that starts in FY 2021 (July 1, 2021 to June 30, 2022) and ends in FY 2025. Available on the [Tools](#) page on the USAC website along with a [video](#) on how to use the tool.

- Implemented Multi-Factor Authentication (MFA) on July 24 for the E-rate Productivity Center (EPC) and Billed Entity Applicant Reimbursement (BEAR) submission and provided outreach to E-rate participants.

Planned Activities for the Next Quarter:

- Implement streamlined BEAR disbursement and notification updates to allow BEAR invoice lines to be paid individually as they pass review rather than waiting for completion of all line item reviews before issuing payments for an invoice (deployed in early October).
- Update the public FY 2021 C2 Budget Tool for any changes in the EPC profile data for total student counts or square footage (October).
- Phase 1 updates for FY 2021 C2 Budget and FCC Form 471 to deliver Entity profile management in alignment with updated rules on how student counts and square footage are reported (October).
- Phase 2 FY 2021 C2 Budget and FCC Form 471 functionality to deliver the creation, certification, and processing of FCC Forms 471 (December).



2020 Program Metrics:

Metric		Target	July	Aug	Sept	Variance		Description/mitigation
1A	FY 2019 Funding Commitments (\$M)	\$2,963	\$2,901	\$2,903	\$2,914	\$49	✓	Cumulative \$ requested complete
1B	FY 2019 Funding Commitments vol.	36,460	36,227	36,231	36,250	210	✓	Cumulative applications complete
1C	FY 2019 Funding Disbursements (\$M)	\$1,500	\$1,217	\$1,322	\$1,425	\$75	✓	Cumulative authorized disbursements
2A	FY 2020 Funding Commitments (\$M)	\$2,959	\$1,367	\$1,603	\$1,856	\$1,103	✓	Cumulative \$ requested complete
2B	FY 2020 Funding Commitments vol.	38,683	30,274	32,948	34,819	3,864	✓	Cumulative applications complete
2C	FY 2020 Funding Disbursements (\$M)	\$200	\$16	\$55	\$110	\$90	✓	Cumulative authorized disbursements
3	Call Center Abandon Rate	3.0%	2.8%	1.0%	2.9%	0.1%	✓	
4	Appeals Processing (Avg Days Open)	90	61	49	33	57	✓	Excludes appeals on hold.

Legend

-  On track
-  Action Required