



Schools & Libraries Committee

Briefing Book

Monday, July 25, 2022

12:55 p.m. – 1:35 p.m. Eastern Time

Available for Public Use

USAC Offices

700 12th Street NW, Suite 900

Washington, D.C. 20005

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

<p>Monday, July 25, 2022 12:55 p.m. – 1:35 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>

OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each available for discussion upon request):</p> <p style="padding-left: 20px;">A. Approval of Schools & Libraries Committee Meeting Minutes of April 25, May 18, and June 27, 2022</p> <p style="padding-left: 20px;">B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></p>	5
Craig	<p>a2. Approval of Schools and Libraries Support Mechanism 4th Quarter 2022 Programmatic Budget and Demand Projection for the August 2, 2022 FCC Filing</p>	5
Teleshia	<p>i1. Information on Four USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports</p> <p style="text-align: center;"><i>(For Information Only)</i></p>	–
Craig	<p>i2. E-Rate Business Update</p> <ul style="list-style-type: none"> • Accomplishments • Funding Year 2022 Observations • Plans For Next Quarter • Roadmap • Appendix: Program Metrics 	20

EXECUTIVE SESSION		
Confidential – Executive Session Recommended		
Craig	<p>i3. E-Rate Business Update</p> <ul style="list-style-type: none"> • Legacy Systems Overview • Modernization • Migration Project Status 	10

Next Scheduled USAC Schools & Libraries Committee Meeting

<p>Monday, October 24, 2022 USAC Offices, Washington, D.C.</p>

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 April 25, May 18, and June 27, 2022 (*see Attachments A-1, A-2, and A-3*).
- B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i3** – E-Rate Business Update (*Continued*). USAC management recommends that this item be discussed in *Executive Session* because it may involve discussion of *specific internal controls or confidential company data* or *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

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

Recommended USAC Schools & Libraries Committee Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the Schools & Libraries Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of April 25, May 18, and June 27, 2022; 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, April 25, 2022

(DRAFT) MINUTES¹

The quarterly meeting of the Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, April 25, 2022. A virtual meeting platform was available to the general public for **Open Session** to accommodate the need for increased physical distancing on site due to the COVID-19 pandemic. Dr. Dan Domenech, Committee Chair, called the meeting to order at 11:14 a.m. Eastern Time, with a quorum of eight of nine Committee members present:

Buzacott, Alan – <i>by telephone</i>	Gregory, Amber – <i>by telephone</i>
Choroser, Beth	Mason, Ken
Domenech, Dr. Dan – Chair	Schell, Julie Tritt – Vice Chair
Fontana, Brent	Wade, Dr. Joan

Ms. Radha Sekar joined the meeting at 11:22 a.m. Eastern Time. She did not participate in the discussion of or vote on item a1.

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Chief Administrative Officer – *by telephone*
Butler, Stephen – Vice President of Shared Services – *by telephone*
Chalk, Indra – Member of the Board
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance – *by telephone*
Feiss, Geoff – Member of the Board
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer – *by telephone*
Gillan, Joe – Member of the Board
Hughes, Pamela – Vice President of Lifeline – *by telephone*
Hutchinson, Kyle – Vice President of IT and Chief Information Officer – *by telephone*
Skrivan, Michael – 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.

Sweeney, Mark – Vice President of Rural Health Care – *by telephone*
Waller, Jeff – Member of the Board – *by telephone*
Wein, Olivia – Member of the Board
Williams, Erin – Acting Vice President and General Counsel and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Augustino, Steven – <i>by telephone</i>	Nelson Mullins
Bolling, Christopher – <i>by telephone</i>	USAC
Glisson, Connor – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Kriete, Debra – <i>by telephone</i>	State E-Rate Coordinators' Alliance
Little, Christopher – <i>by telephone</i>	USAC
Morning, Kimberly – <i>by telephone</i>	Morgan Lewis
Nuzzo, Patsy	USAC
Pace, Regina – <i>by telephone</i>	USAC
Phillippi, Megan	USAC
Rovetto, Ed – <i>by telephone</i>	USAC
Sadirkhanova, Sabina – <i>by telephone</i>	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies, LLC
Tiwari, Tanya – <i>by telephone</i>	Morgan Lewis
Wilson Jr., Jerusa Carl – <i>by telephone</i>	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 Committee meeting minutes of January 24, 2022.
 - B.** Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i3** – E-rate Business Update (*Continued*). USAC management recommended that this item be discussed in *Executive Session* because it may involve discussion of *specific internal controls or confidential company data* or *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.

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

RESOLVED, that the Schools & Libraries Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of January 24, 2022; and (2) discussion in *Executive Session* of the items noted above.

- a2. Approval of Schools and Libraries Support Mechanism 3rd Quarter 2022 Programmatic Budget and Demand Projection for the May 2, 2022 Federal Communications Commission (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 2022 programmatic budget and demand projection for the May 2, 2022 FCC Filing.

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

RESOLVED, that the USAC Schools & Libraries Committee approves a 3rd Quarter 2022 Schools and Libraries Support Mechanism direct program budget of \$11.46 million; and

RESOLVED FURTHER that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$11.46 million for Schools and Libraries Support Mechanism administrative costs in the required May 2, 2022 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee, having reviewed at its meeting on April 25, 2022 the 3rd Quarter 2022 Schools and Libraries Support Mechanism demand estimate of \$606.99 million, hereby directs USAC staff to proceed with the required May 2, 2022 filing to the Federal Communications Commission 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.

- ii. Information on Eight USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** This item was provided for *information purposes only*. Dr. Domenech noted that the Schools and Libraries Audit Briefing Book would be made public and posted to the USAC website.

i2. E-Rate Business Update. Mr. Davis presented PowerPoint slides to the Committee covering the following items:

- Accomplishments
- Funding Year 2022 Filing Window Overview
- Roadmap

At 11:49 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

i3. E-Rate Business Update (Continued). Mr. Davis presented PowerPoint slides to the Committee covering the following item:

- Call Center Metrics

OPEN SESSION

At 12:00 p.m. Eastern Time, 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 12:01 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

SCHOOLS & LIBRARIES COMMITTEE MEETING
Wednesday, May 18, 2022

(DRAFT) MINUTES¹

The non-quarterly meeting of the Schools & Libraries Committee (Committee) was conducted by web conference on Wednesday, May 18, 2022. At the requested of Dr. Dan Domenech, Committee Chair, Joe Gillan, Board Chair, chaired the meeting. The meeting was called to order at 1:01 p.m. Eastern Time, with a quorum of seven of the nine Committee members present:

Buzacott, Alan	Mason, Ken
Choroser, Beth	Schell, Julie Tritt – Vice Chair
Fontana, Brent	Sekar, Radha – Chief Executive Officer
Gregory, Amber	

Member of the Committee not present:

Domenech, Dr. Dan – Chair	Wade, Dr. Joan
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Officers of the corporation present:

Beyerhelm, Chris – Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Chalk, Indra – Member of the Board
Davis, Craig – Vice President of Schools and Libraries
Feiss, Geoff – Member of the Board
Freeman, Sarah – Member of the Board
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Gillan, Joe – Member of the Board
Hughes, Pamela – Vice President of Lifeline
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Skrivan, Michael – Member of the Board
Wein, Olivia – Member of the Board
Williams, Erin – Acting Vice President and General Counsel, and Assistant
Secretary

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.

Others present by telephone:

<u>NAME</u>	<u>COMPANY</u>
Nuzzo, Patsy	USAC
Pace, Regina	USAC
Phillippi, Megan	USAC
Wilson, Carl	USAC

OPEN SESSION

- a1. **Consideration of a Task Order Award for E-Rate Legacy Systems and Future Enhancement Project Management Office Services.** USAC management recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the Schools & Libraries Committee approves discussion of this item in *Executive Session*.

At 1:02 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential item listed above.

EXECUTIVE SESSION

- a1. **Consideration of a Task Order Award for E-Rate Legacy Systems and Future Enhancement Project Management Office Services.** Mr. Beyerhelm presented this item to the Committee. The presentation included a written summary and report detailing USAC management's recommendation to award a task order for E-Rate Legacy Systems and future enhancement project management office services.

On a motion duly made, seconded, and after discussion, the Committee adopted the following resolution, with Ms. Schell voting no:

RESOLVED, that the USAC Schools & Libraries Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management, subject to required Federal Communications Commission approval, to award a time and material task order under the USAC Professional Services Indefinite Delivery/Indefinite Quantity contract (Contract No. USAC 20-015) to Deloitte Consulting, LLP for E-Rate Legacy Systems and future enhancements PMO Services for a not-to-exceed amount of \$4,499.826.67 (plus applicable taxes) over a twelve (12) month base period and two (2) additional one-

year option terms for a three (3) year total period of performance. Exercise of option terms to extend the contract beyond the initial twelve (12) month base period is subject to FCC approval.

OPEN SESSION

At 2:15 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 Mr. Gillan reported that, in *Executive Session*, the Committee discussed and took action on item a1.

On a motion duly made and seconded, the Committee adjourned at 2:16 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

SCHOOLS & LIBRARIES COMMITTEE MEETING
Monday, June 27, 2022

(DRAFT) MINUTES¹

The non-quarterly meeting of the Schools & Libraries Committee (Committee) was conducted by web conference on Monday, June 27, 2022. At the request of Dr. Dan Domenech, Committee Chair, Joe Gillan, Board Chair, chaired the meeting. The meeting was called to order at 12:02 p.m. Eastern Time, with a quorum of seven of the nine Committee members present:

Buzacott, Alan	Gregory, Amber
Choroser, Beth	Mason, Ken
Domenech, Dr. Dan – Chair	Sekar, Radha – Chief Executive Officer
Fontana, Brent	

Member of the Committee not present:

Schell, Julie Tritt – Vice Chair	Wade, Dr. Joan
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Officers of the corporation present:

Beyerhelm, Chris – Chief Administrative Officer
Chalk, Indra – Member of the Board
Davis, Craig – Vice President of Schools and Libraries
Feiss, Geoff – Member of the Board
Freeman, Sarah – Member of the Board
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Gillan, Joe – Member of the Board
Hughet, Pamela – Vice President of Lifeline
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Jacobs, Ellis – Member of the Board
Skrivan, Michael – Member of the Board
Wibberly, Dr. Kathy – Member of the Board
Williams, Erin – Vice President and General Counsel, and Assistant
Secretary

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.

Others present by telephone:

<u>NAME</u>	<u>COMPANY</u>
Nuzzo, Patsy	USAC
Phillippi, Megan	USAC
Wilson, Carl	USAC

OPEN SESSION

- a1. **Consideration of a Contract Modification for E-Rate Productivity Center Systems Integrator Services.** USAC management recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the Schools & Libraries Committee approves discussion of this item in *Executive Session*.

At 12:03 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential item listed above.

EXECUTIVE SESSION

- a1. **Consideration of a Contract Modification for E-Rate Productivity Center Systems Integrator Services.** Mr. Beyerhelm presented this item to the Committee. The presentation included a written summary and report detailing USAC management's recommendation modify and extend the third and final one year option for systems development and technical services supporting the E-Rate Productivity Center.

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

RESOLVED, that the Schools and Libraries Committee of the USAC Board of Directors, having reviewed the recommendation of USAC management, subject to required Federal Communications Commission approval, hereby authorizes management to modify and extend the third and final one year option for systems development and technical services supporting the E-Rate Productivity Center (EPC) (Task 1) under its time and material, task order based contract with ICF Incorporated, LLC, increasing the not-to-exceed amount by \$3,000,000.00 (plus applicable taxes) so that USAC can re-compete these services under a new contract.

OPEN SESSION

At 12:19 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 Mr. Gillan reported that, in *Executive Session*, the Committee discussed and took action on item a1.

On a motion duly made and seconded, the Committee adjourned at 12:21 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

ACTION ITEM

**Approval of Schools and Libraries Support Mechanism
4th Quarter 2022 Programmatic Budget and
Demand Projection for the August 2, 2022 FCC Filing**

Action Requested

The Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the 4th Quarter 2022 (4Q2022) programmatic budget and demand projection for the Schools and Libraries Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's August 2, 2022 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 4Q2022 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>	3Q2022	Increase/ (Decrease)	4Q2022	Notes
Steady State:				
Program Funding Requirement	\$593.30	\$0.00	\$593.30	See Note 1 and Table B
New Requirements:				
N/A	0.00	0.00	0.00	
Total Program Funding Requirement	\$593.30	\$0.00	\$593.30	
Prior Period Adjustments (difference between projections and actuals):				
Billings	(\$2.03)	\$1.84	(\$0.19)	
Interest Income	(0.02)	0.00	(0.02)	
Bad Debt Expense	(5.22)	(0.49)	(5.71)	
Total Prior Period Adjustments	(\$7.27)	\$1.35	(\$5.92)	
USAC Administrative Expenses	\$20.96	\$0.73	\$21.69	See Table C
Total Funding Requirement	\$606.99	\$2.08	\$609.07	

Note 1: The Program Funding Requirement represents one quarter of the total funding requirement for Funding Year 2022 of \$2,873.18 million, less \$500.00 million available to carry forward to meet demand for Funding Year 2022. See Table B below for additional detail.

Note 2: Table B is an annual schedule that is updated once a year for the July Board meeting.

Table B. Funding Year 2022 Program Funding Requirement and Roll Forward

<i>(in millions)</i>	Fund Year 2022
Total Requested (In Window)	\$3,153.12
Decrease for Denials/Cancellations (based on 5 yr average)	(405.51)
Increase for Out of Window Apps (based on 5 yr average)	125.57
Estimated Demand	\$2,873.18
Less Roll Forward	
Available Funds from Prior Fund Year	\$2,873.25
Disbursements	(2,207.65)
Reserved Funds, Net Change	
a. Pending Applications to Process	(11.70)
b. Unliquidated Obligations (ULOs)	(119.87)
c. Appeals Reserve - USAC Appeals	(15.50)
d. Appeals Reserve - FCC Appeals	(5.30)
e. Unpaid Invoices	(13.23)
Total Roll Forward	\$500.00
Funding Year 2022 Collection Requirement	\$2,373.18

Based on projected burn rate, USAC estimates the following 4Q2022 programmatic budget:

Table C. Quarterly Programmatic Budget

<i>(in millions)</i>	3Q2022 Budget	Increase/ (Decrease)	4Q2022 Budget	Notes
Direct Program Costs				
Employee Expenses	\$2.24	\$0.29	\$2.53	
Professional Services	4.14	(0.19)	3.95	See Note 3
General & Administrative	0.00	0.00	0.00	
Total Direct Program Costs	\$6.38	\$0.10	\$6.48	
Direct Assigned Costs				
Employee Expenses	\$0.83	\$0.11	\$0.94	
Professional Services	3.59	(0.09)	3.50	See Note 3
General & Administrative	0.66	0.01	0.67	
Total Direct Assigned Costs	\$5.08	\$0.03	\$5.11	
Total Direct Program & Direct Assigned Costs	\$11.46	\$0.13	\$11.59	
Common Allocated Costs	\$9.50	\$0.60	\$10.10	
Total Programmatic Budget	\$20.96	\$0.73	\$21.69	

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

A comparison of actual expenditures to the budget for the three months ending June 30, 2022 is provided in **Attachment 1**.

Recommendation

USAC management recommends that the Committee approve the 4Q2022 budget and projection of demand as proposed.

Recommended Schools & Libraries Committee Actions

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Schools & Libraries Committee approves a 4th Quarter 2022 Schools and Libraries Support Mechanism direct program budget of \$11.59 million; and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$11.59 million for Schools and Libraries Support Mechanism administrative costs in the required August 2, 2022 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee, having reviewed at its meeting on July 25, 2022 the 4th Quarter 2022 Schools and Libraries Support Mechanism demand estimate of \$609.07 million, hereby directs USAC staff to proceed with the required August 2, 2022 filing to the Federal Communications Commission 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, 2022

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	54	65	11	\$3.59	\$4.39	\$0.80
Professional Services (Note 4)				8.76	8.50	(0.26)
General & Administrative (Note 5)				0.00	0.00	0.00
Total Direct Program Costs				\$12.35	\$12.89	\$0.54
Direct Assigned Costs						
Employee Expenses	16	18	2	\$1.26	\$1.63	\$0.37
Professional Services (Note 4)				4.98	6.42	1.44
General & Administrative (Note 5)				1.26	1.29	0.03
Total Direct Assigned Costs				\$7.50	\$9.34	\$1.84
Total Direct Program & Direct Assigned Costs	70	83	13	\$19.85	\$22.23	\$2.38
Common Allocated Costs (Note 6)				\$14.91	\$16.01	\$1.10
Total Programmatic Budget				\$34.76	\$38.24	\$3.48

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, 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. Actual common allocated costs reflect a reduction for costs allocated to the appropriated programs.

Available for Public Use



Schools & Libraries Committee

E-Rate Business Update

Open Session

July 25, 2022



Agenda

- Accomplishments
- Funding Year (FY) 2022 Observations
- Plans for Next Quarter
- Roadmap
- Appendix A: Program Metrics
- Appendix B: Glossary of Terms

Accomplishments

- FY2022 Administration: Processed 92.8 percent (32,534 of 35,408) of FY2022 applications and 64.4 percent of requested dollars (\$2,063 million of \$3,194 million).
 - 73.7 percent of Fiber applications completed (810 of 1,099); 34 percent of requested dollars reviewed (\$104.7 million of \$310.6 million).
 - 69 percent of Consortium applications completed (1,131 of 1,644); 28.2 percent of requested dollars reviewed (\$107.8 million of \$382 million).
 - 19 new Tribal Library applicants applied in FY2022; 76 Tribal applications submitted in FY2022 requesting \$15.4 million and 69 tribal applications committed for \$8.2 million.
- FY2021 Administration: Substantially complete.
 - Delayed processing due to pandemic response extensions.
- Authorized disbursements of \$942 million for all funding years in Q2 2022.

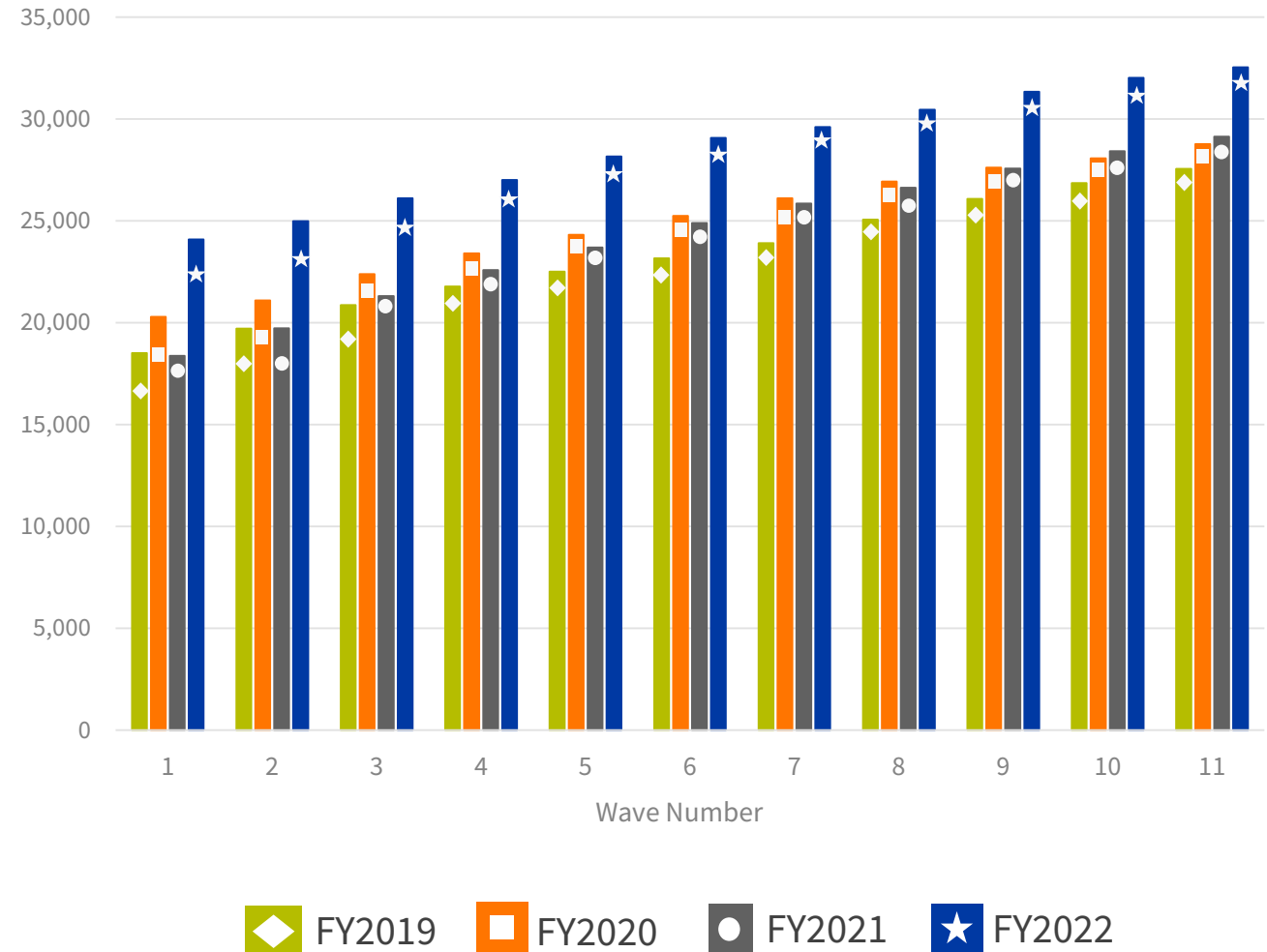
Accomplishments (Continued)

- Training and Outreach.
 - USAC conducted two online webinars for FY2022 in Q2 2022 that covered Program Integrity Assurance (PIA) and selective review processes for applicants, as well as the next steps for beginning services after receiving a funding commitment. The webinars targeted all levels, from beginner to experienced participants.
 - USAC held a four-part training series for Tribal participants in Q2 2022 (April and May), including new Tribal libraries, to help them learn about the program and how to apply for funding.
 - Sessions included E-Rate basic training and how to establish a consortium, with an overview of the different roles and responsibilities for the consortium leader and members.

FY2022 Observations

- FY2022 application processing is 12 percent ahead of FY2021 and 13 percent ahead of FY2020 through 11 funding waves.
- Dollars reviewed (\$2.06 billion) for FY2022 through 11 funding waves is 30 percent higher than FY2021 (\$1.58 billion).
- Dollars committed (\$1.94 billion) for FY2022 through 11 funding waves is 36 percent higher than FY2021 (\$1.43 billion).
- Approvals for fiber applications for FY2022 are 18 percent higher (810 vs. 687) than FY2021 through 11 funding waves.

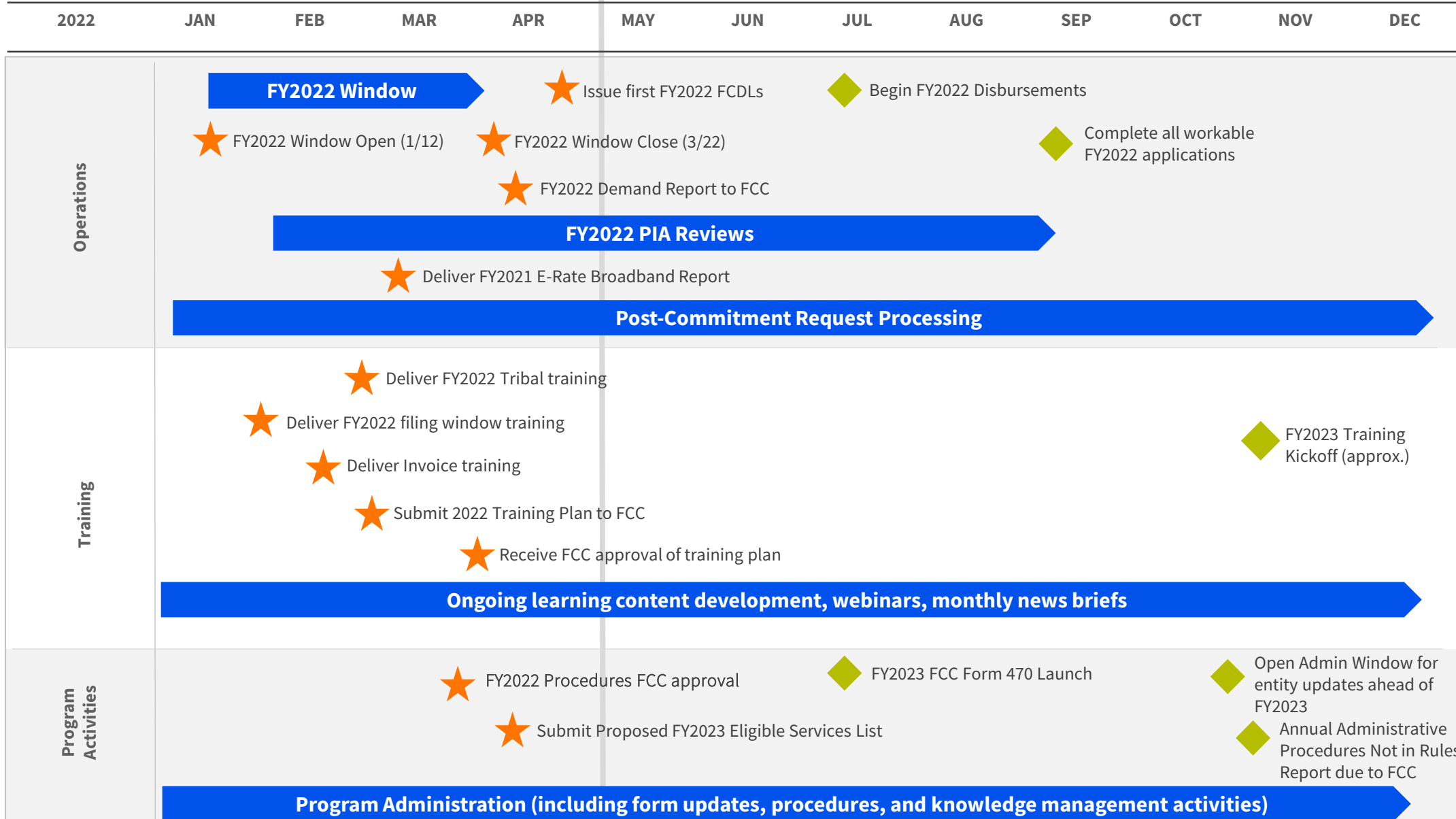
Applications Committed by Funding Year
(cumulative)



Plans for Next Quarter

- FY2022 Administration.
 - Continue working toward Sept. 1 target date to complete all workable FCC Form 471 applications.
- Implement FCC Form updates including any changes to the FCC Form 471.
- Continue to drive down processing holds and aged customer service cases with focused efforts to collaborate across teams.
- Continue processing prior-year applications, appeals, commitment adjustments, and other program transactions.
- Q3 2022 Training.
 - Upcoming webinar topics include how to invoice, including key dates and reminders, competitive bidding, and the FCC Form 470 as the FY2023 bidding period opened on July 1.
 - Two Tribal webinars on invoicing and competitive bidding, and one Tribal information session to discuss E-Rate best practices.

Roadmap



Milestone Legend

- At Risk
- On Track
- Completed

Appendix A: Program Metrics

E-Rate Pre-Commitment (Data through June 30, 2022)

		Q1	Q2	Q3	Q4	Total	
Requested	2022	Demand	35,112	296			35,408
		Requested Dollars	\$3,166,052,791	\$28,381,004			\$3,194,433,796
		Avg. Days Outstanding	123	88			105.5
	2021	Demand	35,793	605	21	10	36,429
		Requested Dollars	\$3,039,674,573	\$69,401,621	\$896,679	\$565,409	\$3,110,538,282
		Avg. Days Outstanding	483	444	326	233	371.5
Committed	2022	Reviewed Apps.		32,534			32,534
		Reviewed Dollars		\$2,062,972,599			\$2,062,972,599
	2021	Reviewed Apps.		29,141	5,531	1,325	35,997
		Reviewed Dollars		\$1,582,207,194	\$910,065,718	\$341,993,410	\$2,834,266,322

Appendix A: Program Metrics (Continued)

E-Rate Post-Commitment (Data through June 30, 2022)

		Q1	Q2	Q3	Q4	Total
Submitted	2021	Invoice Counts	263	25,616	44,600	70,479
		Invoice Dollars	\$9,666,651	\$229,879,608	\$328,120,821	\$567,667,080
Disbursed	2022	Invoice Counts	144			144
		Invoice Dollars	\$0			\$0
2021	Invoice Counts	179	23,431	43,030	66,640	
	Invoice Dollars	\$0	\$143,548,192	\$281,124,894	\$424,673,086	

Appendix B: Glossary of Terms

Term	Definition
BEAR	Billed Entity Applicant Reimbursement (FCC Form 472)
BMIC	Basic Maintenance of Internal Connections
C1	Category One services (Data transmission and Internet access services)
C2	Category Two services (Internal connections, BMIC, MIBS)
EPC	E-Rate Productivity Center
FCDL	Funding Commitment Decision Letter
FRN	Funding Request Number
FY	Funding Year

Appendix B: Glossary of Terms (Continued)

Term	Definition
IC	Internal Connections
MIBS	Managed Internet Broadband Services
SPAC	Service Provider Annual Certification (FCC Form 473)
SPIN	Service Provider Identification Number
UAT	User Acceptance Testing



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