



Schools & Libraries Committee

Briefing Book

Monday, October 28, 2024

1:55 p.m. –2:55 p.m. Eastern Time

Available for Public Use

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
Agenda**

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| <p>Monday, October 28, 2024 1:55 p.m. – 2:55 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p> |
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| <u>OPEN SESSION</u> Available for Public Use | | <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 July 29, 2024</p> <p style="padding-left: 20px;">B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></p> <p style="padding-left: 20px;">C. Consideration and Approval of One Routine Procurement</p> | 5 |
| Craig | a2. Approval of Schools and Libraries Support Mechanism 1st Quarter 2025 Programmatic Budget and Demand Projection for the November 1, 2024, FCC Filing | 5 |
| Craig | a3. Consideration of Funding Year 2025 Application Filing Window Dates | 5 |
| Craig | <p>i1. E-Rate Business Update</p> <ul style="list-style-type: none"> • Funding Year (FY) 2024 Commitment Results • Prior Funding Year Commitment Results • FY2025 Readiness | 15 |

| <u>INFORMATION ONLY</u> Available for Public Use | | <i>Estimated Duration in Minutes</i> |
|--|--|--|
| Craig | <p>i2. E-Rate Business Update (<i>Continued</i>)</p> <ul style="list-style-type: none"> • Accomplishments • Cybersecurity Pilot Program Update • Q4 2024 Plans • Roadmap • Appendices: Program Metrics and Glossary of Terms | – |
| Teleshia | i3. Information on 14 USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Report | – |

| <u>EXECUTIVE SESSION</u> | | <i>Estimated Duration in Minutes</i> |
|---|---|--|
| Confidential – Executive Session Recommended | | |
| Teleshia Craig | i4. E-Rate Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • E-Rate Tribal Support • Emergency Connectivity Fund Tribal Support • E-Rate Improper Payment Results • E-Rate Improper Payment Results by Exception • Key Outcomes • E-Rate Fraud Risk Assessment – Observations • E-Rate Fraud Risk Assessment – StepsTaken • Cybersecurity Pilot Program System Demonstration | 30 |
| Chris | a4. Consideration of a Contract Modification and to Exercise Option Term for E-Rate Business Process Outsourcing Services | – |

Next Scheduled USAC Schools & Libraries Committee Meeting

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|--|
| Monday, January 27, 2025 USAC Offices, Washington, D.C. |
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**Universal Service Administrative Company
Schools & Libraries Committee Meeting**

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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 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 29, 2024 (*see Attachment A*)
- B. Approval of moving one *Executive Session* item into *Executive Session*:
 - (1) **i4.** E-Rate Business Update (*Continued*). USAC management recommends that this matter be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, this includes *pre-decisional matters pending before the FCC*.
 - (2) **a4.** Consideration of a Contract Modification and to Exercise Option Term for E-Rate Business Process Outsourcing Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- C. Consideration and Approval of One Routine Procurements
 - (1) Consideration of a Contract Modification and to Exercise Option Term for E-Rate Business Process Outsourcing Services. The resolution is provided in **aSL04cf**. If discussion is needed, it will be conducted in *Executive Session*.

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 RESOLUTIONS:

RESOLVED, that the Schools & Libraries Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of July

29, 2024; (2) discussion in *Executive Session* of the item noted above; and (3) the approval of one routine procurement as presented in item **aSL04cf**.

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

SCHOOLS & LIBRARIES COMMITTEE MEETING
Monday, July 29, 2024

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, July 29, 2024. Dr. Dan Domenech, Committee Chair, called the meeting to order at 11:15 a.m. Eastern Time, with a quorum of all ten Committee members present:

| | |
|---|---------------------|
| Buzacott, Alan – <i>by telephone</i> | Christine Sanquist |
| Chalk, Indra | Schell, Julie Tritt |
| Domenech, Dr. Dan – Chair | Sekar, Radha |
| Fontana, Brent – <i>by telephone</i> | Thompson, Mona |
| Gregory, Amber – Vice Chair – <i>by telephone</i> | Wade, Dr. Joan |

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Chacko, Sheba – Member of the Board
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
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
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Mason, Ken – Member of the Board
O'Brien, Tim – Vice President of Lifeline
Seifer, Angela – Member of the Board
Semmler, Kara – Member of the Board
Skrivan, Michael – Member of the Board
Sweeney, Mark – Vice President of Rural Health Care

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, or to correct grammatical or spelling errors.

Wein, Olivia – Member of the Board

Wibberly, Dr. Kathy – Member of the Board

Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present*:

| <u>NAME</u> | <u>COMPANY</u> |
|----------------------------|----------------|
| Allison, Sarah | USAC |
| Braxton, Carolyn | USAC |
| Calhoun, Mitch | USAC |
| Claxton, Naomi | USAC |
| Ellegood, Sharonda | USAC |
| Goode, Vernell | USAC |
| Gustafson, Jaymie | USAC |
| James, Christine | USAC |
| King, Ryan | USAC |
| Kurisch Bill | USAC |
| Morgan, Meredith | USAC |
| Nuzzo, Patsy | USAC |
| Rovetto, Ed | USAC |
| Santana-Gonzalez, Jeanette | USAC |
| Walsh, Jeff | USAC |

*Due to a global FedRAMP Webex outage, the public that registered to attend virtually were unable to join the meeting. They were notified by email of the problem and reminded that the public materials would be posted on the USAC website. Board members that were scheduled to attend virtually participated by staff members calling them on their mobile phones.

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 meeting minutes of April 29, 2024.
 - B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i3.** E-Rate Business Update – (*Continued, if needed*). USAC management recommends that this matter be discussed in *Executive Session* because it relates to *specific internal controls 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 resolutions:

RESOLVED, that the Schools and Libraries Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of April 29, 2024; and (2) discussion in *Executive Session* of the item noted above.

- a2. Approval of Schools and Libraries Support Mechanism 4th Quarter 2024 Programmatic Budget and Demand Projection for the August 2, 2024 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 Mechanism 4th Quarter 2024 programmatic budget and demand projection for the August 2, 2024 quarterly 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 4th Quarter 2024 Schools and Libraries Support Mechanism direct program budget of \$10.61 million; and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$10.61 million for Schools and Libraries Support Mechanism administrative costs in the required August 2, 2024 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 29, 2024, the 4th Quarter 2024 Schools and Libraries Support Mechanism demand estimate of \$666.28 million, hereby directs USAC staff to proceed with the required August 2, 2024, 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 \$25 million.

- i1. Information on Eleven USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports.** This item was provided for *information purposes only*. No discussion was held. 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
- Fund Year 2024 Observations
- Cybersecurity Pilot Program Update
- Q3 2024 Plans
- Roadmap
- Appendices: Program Metrics and Glossary of Terms

At 11:52 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, if needed*). Mr. Davis provided confidential responses to questions asked during the E-Rate Business update.

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 12:00 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
1st Quarter 2025 Programmatic Budget and
Demand Projection for November 1, 2024, FCC Filing**

Action Requested

The Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve a 1st Quarter 2025 (Q1 2025) programmatic budget and demand projection for the Schools and Libraries Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's November 1, 2024, 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 Q1 2025 funding requirement for the Schools and Libraries Support Mechanism as follows:

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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> | Q4 2024 | Increase/ (Decrease) | Q1 2025 | Notes |
|---|-----------------|---------------------------------|-----------------|--------------------------------|
| Steady State: | | | | |
| Program Funding Requirement | \$631.83 | \$0.00 | \$631.83 | See Notes 1 and 2, and Table B |
| New Requirements: | | | | |
| N/A | 0.00 | 0.00 | 0.00 | |
| Total Program Funding Requirement | \$631.83 | \$0.00 | \$631.83 | |
| Prior Period Adjustments (difference between projections and actuals): | | | | |
| Billings | 16.91 | (8.18) | 8.73 | |
| Interest Income | (0.01) | 0.00 | (0.01) | |
| Bad Debt Expense | (5.68) | 2.25 | (3.43) | |
| Total Prior Period Adjustments | \$11.22 | (\$5.93) | \$5.29 | |
| USAC Administrative Expenses | \$23.23 | (\$3.20) | \$20.03 | See Table C |
| Total Funding Requirement | \$666.28 | (\$9.13) | \$657.15 | |

Note 1: The Program Funding Requirement represents one-quarter of the collections required to meet the projected demand for Funding Year 2024 of \$3,014.22 million. Per FCC guidance, USAC will carry forward \$490.18 million to Funding Year 2024. See Table B below for additional details.

Note 2: Table B is an annual schedule that is updated once a year for the April Board meeting. The table below has been revised to reflect the FCC's guidance to reserve an additional \$10 million for the Cyber Security Pilot.

Table B. Funding Year 2024 Program Funding Requirement and Roll Forward

| <i>(in millions)</i> | Fund Year 2024 |
|---|-----------------------|
| Total Requested (In Window) | \$3,239.41 |
| Decrease for Denials/Cancellations (based on 5 yr. average) | (314.60) |
| Increase for Out of Window Apps (based on 5 yr. average) | 89.41 |
| Estimated Demand | \$3,014.22 |
| Less Roll Forward Available to Offset Collections | |
| Remaining Available Funds from Prior Fund Year | \$130.04 |
| Reserved Funds, Net Change | |
| a. Pending Applications to Process | \$27.37 |
| b. Unliquidated Obligations (ULOs) | \$551.97 |
| c. Appeals Reserve - USAC Appeals | (\$20.75) |
| d. Appeals Reserve - FCC Appeals | (\$25.05) |
| e. Reserve for future use (per FCC guidance) | (\$200.00) |
| f. Unpaid Invoices | \$26.60 |
| Total Roll Forward | \$490.18 |
| Funding Year 2024 Collection Requirement | \$2,524.04 |

Based on the projected burn rate, USAC estimates the following Q1 2025 programmatic budget:

Table C. Quarterly Programmatic Budget

| <i>(in millions)</i> | Q4 2024 Budget | Increase/ (Decrease) | Q1 2025 Budget | Notes |
|---|---------------------------|---------------------------------|---------------------------|--------------|
| Direct Program Costs | | | | |
| Employee Expenses | \$2.40 | (\$0.13) | \$2.27 | |
| Professional Services | 4.08 | (1.03) | 3.05 | |
| General & Administrative | 0.00 | 0.01 | 0.01 | See Note 3 |
| Total Direct Program Costs | \$6.48 | (\$1.15) | \$5.33 | |
| Direct Assigned Costs | | | | |
| Employee Expenses | \$1.08 | (\$0.22) | \$0.86 | |
| Professional Services | 2.25 | (0.08) | 2.17 | |
| General & Administrative | 0.80 | (0.16) | 0.64 | See Note 3 |
| Total Direct Assigned Costs | \$4.13 | (\$0.46) | \$3.67 | |
| Total Direct Program & Direct Assigned Costs | \$10.61 | (\$1.61) | \$9.00 | |
| Common Allocated Costs | \$12.62 | (\$1.59) | \$11.03 | |
| Total Programmatic Budget | \$23.23 | (\$3.20) | \$20.03 | |

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, 2024, is provided in **Attachment 1**.

Recommendation

USAC management recommends that the Committee approve the Q1 2025 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 1st Quarter 2025 Schools and Libraries Support Mechanism direct program budget of \$9.00 million; and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$9.00 million for Schools and Libraries Support Mechanism administrative costs in the required November 1, 2024 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 October 28, 2024, the 1st Quarter 2025 Schools and Libraries Support Mechanism demand estimate of \$657.15 million, hereby directs USAC staff to proceed with the required November 1, 2024, 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 \$25 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, 2024

| <i>(\$ in millions)</i> | FTE Actual | FTE Budget | FTE Variance | YTD Actual | YTD Budget | Variance |
|---|---------------|---------------|-----------------|----------------|----------------|-----------------|
| Direct Program Costs | | | | | | |
| Employee Expenses | 64 | 66 | 2 | \$6.65 | \$6.62 | (\$0.03) |
| Professional Services (Note 4) | | | | 13.15 | 12.39 | (0.76) |
| General & Administrative (Note 5) | | | | 0.01 | 0.00 | (0.01) |
| Total Direct Program Costs | | | | \$19.81 | \$19.01 | (\$0.80) |
| Direct Assigned Costs | | | | | | |
| Employee Expenses | 18 | 22 | 4 | \$2.90 | \$3.04 | \$0.14 |
| Professional Services (Note 4) | | | | 8.54 | 6.39 | (2.15) |
| General & Administrative (Note 5) | | | | 2.10 | 2.37 | 0.27 |
| Total Direct Assigned Costs | | | | \$13.54 | \$11.80 | (\$1.74) |
| Total Direct Program & Direct Assigned Costs | 82 | 88 | 6 | \$33.35 | \$30.81 | (\$2.54) |
| Common Allocated Costs (Note 6) | | | | \$31.53 | \$36.23 | \$4.70 |
| Total Programmatic Budget | | | | \$64.88 | \$67.04 | \$2.16 |

Note 4: Direct Program Professional Services include business process outsourcing (BPO). 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.

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

ACTION ITEM

Consideration of Funding Year 2025 Application 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) 2025 FCC Form 471 application filing window no earlier than January 2025, and to close the window no earlier than March 2025.

Discussion

A Funding Year 2025 filing window, opening no earlier than January 2025 and closing no earlier than March 2025, 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 and 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 2024, and USAC was able to issue funding commitments for over 96.1 percent of workable applications by September 1, 2024. While many factors play a role in the timely issuance of funding decisions, a key factor in past funding years has been opening and closing the application filing window in the first quarter.

USAC is requesting approval to open the FY 2025 application filing window no earlier than January 2025, and to close the window no earlier than March 2025. This timeframe aligns with the FCC Form 471 application filing window dates over the past few years and will help USAC to issue timely funding commitments.

Section 54.502(f) of the Federal Communications Commission's (FCC) rules mandates that the application filing window cannot open until at least 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 2025 ESL on July 31, 2024.² The FCC had not issued the FY 2025 ESL as of October 7, 2024.

USAC management recommends that the Committee approve the requests discussed in this briefing paper, subject to the requirements of sections 54.502(f) and 54.507(c) of the FCC's rules.

¹ See 47 C.F.R. § 54.502(f).

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 24-743 (Jul. 31, 2024).

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 2025 application filing window no earlier than January 2025 and to close the Funding Year 2025 FCC Form 471 application filing window no earlier than March 2025, subject to the requirements of sections 54.502(f) and 54.507(c) of the FCC's rules; and

RESOLVED FURTHER, that upon consultation with the Committee Chair, USAC management is authorized to adjust the Funding Year 2025 application filing window opening and closing dates, as circumstances may warrant and in accordance with section 54.507(c) of the FCC's rules.



Schools and Libraries Committee

E-Rate Business Update

Open Session

October 28, 2024

Agenda

- Funding Year (FY) 2024 Commitment Results
- Prior Funding Year Commitment Results
- FY2025 Readiness

FY2024 Commitment Results

- FY2024 Administration: Processed 95.4 percent (34,435 of 36,083) of FY2024 applications and 79 percent of requested dollars (\$2,630 million of \$3,326.7 million).
 - 85.6 percent of Fiber applications completed (1,126 of 1,315); 53.4 percent of requested dollars reviewed (\$195.2 million of \$365.4 million).
 - 81.4 percent of Consortia applications completed (1,468 of 1,803); 44.4 percent of requested dollars reviewed (\$186.4 million of \$419.5 million).
 - 94.2 percent of tribal applications processed, with 60.7 percent committed: 763 Tribal applications submitted in FY 2024 requesting \$119.3 million; 719 Tribal applications committed for \$72.4 million.

Prior Funding Year Commitment Results

Pending prior year applications have been reduced by 80 percent to date (848 remained pending as of 1/1/24 and 173 (\$66M) are pending as of 9/30/24).

FY2023 (124 applications for \$44.5M)

- 104 applications – Pending PIA/Heightened Scrutiny Review
- 20 applications – Various Program Holds

FY2020-FY2022 (40 applications for \$20.3M)

- 36 applications – Pending PIA/Heightened Scrutiny Review
- 4 applications – Various Program Holds

FY2025 Readiness

- FY2025 FCC Form 471 Filing Window Preparations
 - Open administrative window ahead of FY2025 window to allow for entity updates
 - System updates for FY2025
- Training and Outreach
 - Conduct training for FY2025 in the fourth quarter
 - Continue Tribal Library Pilot Program outreach activities
- Administrative Preparations
 - Deployed FY2025 FCC Form 470 on September 19
 - Eligible Services List
 - PIA procedure updates for FY2025
 - FY2025 window filing date approvals



**Universal Service
Administrative Co.**



Schools and Libraries Committee

E-Rate Business Update

Open Session - Information Only

October 28, 2024

Agenda

- Accomplishments
- Cybersecurity Pilot Program Update
- Q4 2024 Plans
- Roadmap
- Appendix A: Program Metrics
- Appendix B: Glossary of Terms

Accomplishments

- Authorized disbursements of \$710.8 million for all funding years in Q3 2024 compared with \$736.7 million in Q3 2023.
- Training and Outreach
 - USAC staff attended the Southeastern Libraries Association and the Association for Rural & Small Libraries (ARSL) conferences during Q3 2024 to provide school and library applicants with opportunities to ask questions about program requirements for FY2025.
 - USAC held its first in-person training for 2024 on September 17 in Dallas covering current topics in the E-Rate life cycle including submitting FCC Form 471 applications for FY2025, the PIA Review and Selective Review processes, responding to PIA inquiries, and next steps after receiving a positive funding decision from USAC.
 - USAC held eight webinars in Q3 2024 including two Open Data sessions, four Fall training sessions, one session on newly eligible Wi-Fi hotspots, and one session focused on service providers.
 - USAC issued three monthly news briefs focusing on recent updates including E-Rate support for Wi-Fi on school buses, E-Rate support for Wi-Fi hotspots and wireless Internet services for use off-premises, and the new Schools and Libraries Cybersecurity Pilot Program.

Cybersecurity Pilot Program Update

- Program Overview

- In its June 11, 2024, Report and Order, the FCC established the Schools and Libraries Cybersecurity Pilot Program (Pilot Program), making up to \$200 million in USF support available over a three-year period to support cybersecurity services and equipment for eligible K-12 schools and libraries. The Pilot Program is funded via the USF but is separate from the E-Rate program.
- USAC will set up and administer the Pilot Program by:
 - Defining system requirements and implementing EPC system updates for intake and processing of Pilot Program applications.
 - Developing proposed Pilot Program forms and review procedures.
 - Processing forms, obligating USF dollars, and authorizing payments for eligible cybersecurity products and services.
 - Conducting outreach with Shared Services to inform stakeholders of application timeline, filing window dates, and other Pilot Program requirements.
 - Creating a dedicated web page (www.usac.org/e-rate/cyber-security-pilot-program) and sending Pilot Program emails to subscribers interested in participating.

Cybersecurity Pilot Program Update (Continued)

- Pilot Program application window (FCC Form 484 Part 1) opened September 17, 2024.
 - Pilot Program application window will close November 1, 2024.
 - Applicants must complete the application and provide general cybersecurity information and answer questions about their proposed Pilot projects including equipment and services.
 - Applicants must ensure they clear any outstanding federal government debts prior to the window close to be considered for Pilot Program participation.
- USAC staff to assist with:
 - Provision of FCC Form 484 Part 1 reporting; and
 - Eligibility reviews for applicants that have not previously participated in the E-Rate program.
- Selected Pilot Program participants will be required to provide more detailed cybersecurity information in Part 2 of the FCC Form 484.

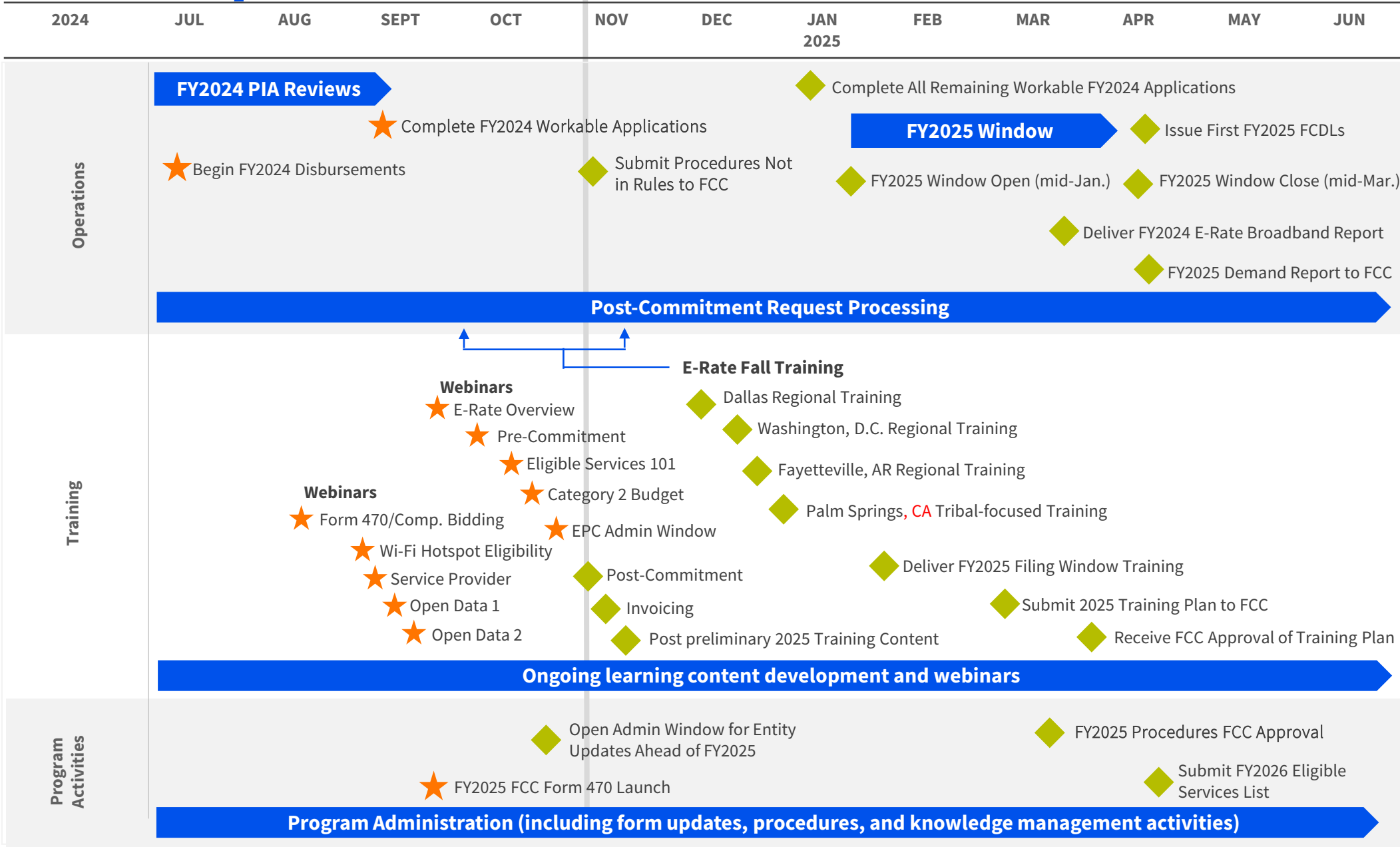
Cybersecurity Pilot Program Update (Continued)

- Initial Pilot Program systems deployment occurred on August 23, 2024.
 - Entity Management, Application Form Management, Eligibility Intake, and Customer Service
 - On track to deploy FCC Form 484 Part 2, FCC Form 470, and FCC Form 471 in EPC.
- External Communications and Training are ongoing.
 - FCC Form 484 Part 1 User Guide was posted September 16.
 - August Pilot Program newsletter released informing stakeholders of ability to update their EPC Pilot Program user rights.
 - September newsletters provided links to application resources, tips for managing users, and upcoming training “Office Hours” webinars targeting new participants, individual schools/libraries, and consortia.
 - Posted FAQs on Pilot Program topics of interest including program timeline, budgets, eligibility, eligible services and equipment, and the application/selection process.

Q4 2024 Plans

- FY2024 Administration
 - Continue work to complete reviews of all workable E-Rate FCC Form 471 applications by December 31.
- Continue processing prior-year applications, appeals, commitment adjustments, and other program transactions.
- Continue deploying enhancements to invoicing and post-commitment functions in EPC.
- Assist Tribal Library Pilot Program applicants during the review process and help applicants understand and comply with newly established rules for participation in E-Rate.
- Q4 2024 Training
 - Deliver on 2024 E-Rate training plan, including in-person events in Washington, D.C., Fayetteville, AR, and Palm Springs, CA (Tribal), fall training webinars (Category Two Budgets, EPC Admin Window, Post-Commitment, and Invoicing), and filing window training to prepare for FY2025 window opening in January 2025.

Roadmap



Milestone Legend

- At Risk
- On Track
- Completed

Appendix A: E-Rate Program Metrics

E-Rate Pre-Commitment (Data through September 30, 2024)

| Fund Year | | Q1 | Q2 | Q3 | Q4 | Total | |
|-----------|------|-----------------------|-----------------|-----------------|---------------|---------------|-----------------|
| Requested | 2024 | Demand | 35,382 | 689 | 9 | | 36,080 |
| | | Requested Dollars | \$3,242,546,522 | \$84,918,757 | \$213,036 | | \$3,327,678,315 |
| | | Avg. Days Outstanding | 211 | 179 | 48 | | 211 |
| | 2023 | Demand | 34,576 | 481 | 9 | 9 | 35,075 |
| | | Requested Dollars | \$2,951,470,030 | \$86,672,135 | \$252,766 | \$161,344 | \$3,038,556,275 |
| | | Avg. Days Outstanding | 575 | 543 | 394 | 336 | 575 |
| Committed | 2024 | Reviewed Apps. | | 29,265 | 4,966 | | 34,231 |
| | | Reviewed Dollars | | \$1,867,530,592 | \$734,118,461 | | \$2,601,649,053 |
| | 2023 | Reviewed Apps. | | 29,478 | 3,804 | 1,082 | 34,364 |
| | | Reviewed Dollars | | \$1,620,808,357 | \$743,122,069 | \$341,556,762 | \$2,705,487,188 |

Dollar values displayed have been rounded. Totals are calculated based on the original (not rounded) figures.

Appendix A: Program Metrics (Continued)

E-Rate Post-Commitment (Data through September 30, 2024)

| | | | Q1 | Q2 | Q3 | Q4 | Total |
|------------------|------|-----------------|---------------|---------------|---------------|---------------|-----------------|
| Submitted | 2023 | Invoice Counts | 67,944 | 64,282 | 79,322 | 73,416 | 284,964 |
| | | Invoice Dollars | \$632,978,937 | \$650,245,525 | \$960,912,169 | \$799,633,038 | \$3,043,769,669 |
| | 2022 | Invoice Counts | 72,399 | 68,615 | 75,152 | 64,966 | 281,132 |
| | | Invoice Dollars | \$602,933,968 | \$505,060,258 | \$730,332,914 | \$618,502,183 | \$2,456,829,323 |
| Disbursed | 2023 | Invoice Counts | 68,933 | 65,127 | 77,459 | 73,075 | 284,594 |
| | | Invoice Dollars | \$544,049,934 | \$552,035,811 | \$734,841,356 | \$640,683,113 | \$2,471,610,214 |
| | 2022 | Invoice Counts | 71,397 | 67,662 | 70,535 | 71,538 | 281,132 |
| | | Invoice Dollars | \$532,808,812 | \$426,888,203 | \$559,416,635 | \$580,362,019 | \$2,099,475,669 |

Dollar values displayed have been rounded. Totals are calculated based on the original (not rounded) figures.

Appendix B: Glossary of Terms

| Term | Definition |
|------|-----------------------------------|
| EPC | E-Rate Productivity Center |
| FCC | Federal Communications Commission |
| FAQs | Frequently Asked Questions |
| FY | Funding Year |
| PIA | Program Integrity Assurance |
| SL | Schools and Libraries |
| USF | Universal Service Fund |



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