



# Schools & Libraries Committee

## Briefing Book

Monday, January 29, 2024

12:30 p.m. – 1:15 p.m. Eastern Time

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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**

<p><b>Monday, January 29, 2024</b>  <b>12:30 p.m. – 1:15 p.m. Eastern Time</b>  <b>USAC Offices</b>  <b>700 12th Street, N.W., Suite 900</b>  <b>Washington, D.C. 20005</b></p>
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<b>OPEN SESSION</b>		<i>Estimated Duration in Minutes</i>
Chair	<p><b>a1.</b> Consent Items (each available for discussion upon request):</p> <p style="padding-left: 20px;"><b>A.</b> Approval of Schools &amp; Libraries Committee Meeting Minutes of October 30, 2023</p> <p style="padding-left: 20px;"><b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></p>	5
Chair	<b>a2.</b> Recommendation for Election of Committee Chair and Vice Chair	5
Craig	<b>a3.</b> Approval of Schools and Libraries Support Mechanism 2nd Quarter 2024 Programmatic Budget and Demand Projection for the February 1, 2024 FCC Filing	5
Teleshia	<p><b>i1.</b> Information on Nine 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><b>i2.</b> E-Rate Business Update</p> <ul style="list-style-type: none"> <li>• 2023 Accomplishments</li> <li>• 2024 Plans</li> <li>• 2024 E-Rate System Modernization</li> <li>• Q1 2024 Plans</li> <li>• Roadmap</li> <li>• Appendix: Program Metrics</li> </ul>	20

<b>EXECUTIVE SESSION</b>		
<b>Confidential – Executive Session Recommended</b>		
Craig	<b>i3.</b> E-Rate Business Update <i>(Continued, if needed)</i>	–
Craig	<b>a4.</b> Approval of Schools and Libraries Support Mechanism 2024 Annual Programmatic Budget	10

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

<p><b>Monday, April 29, 2024</b>  <b>USAC Offices, Washington, D.C.</b></p>
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**Universal Service Administrative Company  
Schools & Libraries Committee Meeting**

<b>ACTION ITEM</b>
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**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 October 30, 2023. *See Attachment A-1.*
- B. Approval of moving one *Executive Session* item 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 and may also include discussion of *investigatory records or pending or contemplated enforcement action* against participants in the universal service support mechanisms.
  - (2) **a4** – Approval of Schools and Libraries Support Mechanism 2024 Annual Programmatic Budget. USAC management recommends that this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration.*

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 October 30, 2023; (2) discussion in *Executive Session* of the item noted above.

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

**SCHOOLS & LIBRARIES COMMITTEE MEETING**  
**Monday, October 30, 2023**

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

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 October 30, 2023. Dr. Dan Domenech, Committee Chair, called the meeting to order at 12:30 p.m. Eastern Time, with a quorum of all nine Committee members present:

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

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer  
Butler, Stephen – Vice President of Shared Services  
Chalk, Indra – Member of the Board  
Davis, Craig – Vice President of Schools and Libraries  
Delmar, Teleshia – Vice President of Audit and Assurance  
Feiss, Geoff – Member of the Board  
Freeman, Sarah – Member of the Board  
Gaither, Victor – Vice President of High Cost  
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and  
Assistant Treasurer  
Gillan, Joe – Member of the Board  
Hutchinson, Kyle – Vice President of IT and Chief Information Officer  
O'Brien, Tim – Vice President of Lifeline  
Skrivan, Michael – Member of the Board  
Sweeney, Mark – Vice President of Rural Health Care  
Wein, Olivia – Member of the Board

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<sup>1</sup> Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Wibberly, Dr. Kathy – Member of the Board  
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Benham, Cathy – <i>by telephone</i>	CSM
Braxton, Carolyn	USAC
Calhoun, Mitchell	USAC
Campos, Joel – <i>by telephone</i>	Maximus
Campos, Rosey – <i>by telephone</i>	CSM
Claxton, Naomi	USAC
Faunce, Donna – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Hamm, Aaron	USAC
Hurley, Michelle – <i>by telephone</i>	CSM
Jaruboon, Jetshada – <i>by telephone</i>	Maximus
King, Ryan	USAC
Manns, Bernie	USAC
Morgan, Meredith	USAC
Nesbitt, Tom	USAC
Nuzzo, Patsy	USAC
Oliver, Lindsay	USAC
Rones, Julie	USAC
Rovetto, Ed	USAC
Sauls, Lucas – <i>by telephone</i>	Maximus
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Staurulakis, Chresanthe	USAC
Willis, Catherine	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 July 24, 2023.
  - 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

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internal rules and procedures, and may also include discussion of *investigatory records or pending or contemplated enforcement action* against participants in the universal service support mechanisms.

- (2) **a4** – Consideration of Contract Award for Schools and Libraries (E-Rate) Business Process Outsourcing (BPO) Service. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.

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

**RESOLVED**, that the Schools & Libraries Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of July 24, 2023; and (2) discussion in *Executive Session* of the items noted above.

- a2. Approval of Schools and Libraries Support Mechanism 1<sup>st</sup> Quarter 2024 Programmatic Budget and Demand Projection for the November 2, 2023 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 1st Quarter 2024 programmatic budget and demand projection for the November 2, 2023 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 1st Quarter 2024 Schools and Libraries Support Mechanism direct program budget of \$9.33 million; and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$9.33 million for Schools and Libraries Support Mechanism administrative costs in the required November 2, 2023 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 30, 2023 the 1st Quarter 2024 Schools and Libraries Support Mechanism demand estimate of \$634.96 million, hereby directs USAC staff to proceed with the required November 2, 2023, 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.

- a3. Consideration of Funding Year 2024 Filing Window Dates.** Mr. Davis presented this item for consideration. He requested authorization for USAC to open the Funding Year (FY) 2024 application filing window no earlier than January 2024, and to close the window no earlier than March 2024.

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

**RESOLVED**, that the USAC Schools & Libraries Committee accepts the recommendation of USAC management to open the Funding Year 2024 filing window no earlier than January 2024 and to close the Funding Year 2024 filing window no earlier than March 2024, 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 2024 filing window opening and closing dates as circumstances may warrant.

- i1. Information on Nine 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
  - Funding Year 2024 Readiness
  - System Consolidation Project Update
  - Tribal Update
  - Plans For Next Quarter
  - Roadmap
  - Appendix A: Program Metrics

At 1:01 p.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*). Ms. Delmar provided an update on the E-Rate Improper Payment results to the Committee.
- a4. **Consideration of Contract Award for Schools and Libraries (E-Rate) Business Process Outsourcing (BPO) Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management’s recommendation to award a contract for E-Rate BPO services. The committee adopted the following resolution as part of the Consent Items:

**RESOLVED**, that the Schools and Libraries Committee of the USAC Board of Directors, having reviewed the recommendation of USAC management, authorizes USAC management to award a contract to Maximus Federal Services for E-Rate Business Process Outsourcing Services. The contract will have a hybrid fee structure of firm-fixed-price and fixed-unit price for a total not-to-exceed amount of \$15,474,483.80 (plus applicable taxes) over a base period of twelve (12) months, with the ability to exercise four (4) additional one-year option terms. Exercise of option terms to extend the contract beyond the initial twelve (12) month base period is subject to required Federal Communications Commission and Schools and Libraries Committee approvals.

**OPEN SESSION**

At 1:14 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 and took action on item a4.

On a motion duly made and seconded, the Committee adjourned at 1:14 p.m. Eastern Time.

/s/ Erin Williams  
Assistant Secretary

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

**ACTION ITEM**

**Recommendation for Election of  
Committee Chair and Vice Chair**

**Action Requested**

The USAC Schools & Libraries Committee (Committee) is taking action to bring its Chair and Vice Chair nominations for consideration by the full Board of Directors (Board) at the Board meeting to be held on January 30, 2024.

**Discussion**

The pertinent resolution related to the election of committee chair and vice chair positions was adopted by the Board on January 25, 2000, and reads as follows:

**RESOLVED**, that the USAC Board of Directors accepts the recommendations of the USAC Nominating Committee that: (1) in addition to the annual election of officers, all Committee chairs and vice chairs shall also be elected annually; (2) the first election for Committee chairs and vice chairs shall occur at the election of officers at the January 2001 Board of Directors meeting; (3) there shall be no term limits imposed on officer and Committee chair and vice chair positions; and (4) there shall be no automatic succession of positions....<sup>1</sup>

On January 30, 2023, the Board re-elected Dr. Dan Domenech as Chair and Julie Tritt Schell as Vice Chair of the Schools & Libraries Committee.

At their January 29, 2024 quarterly meetings, each committee of the Board (including the Audit Committee and each of the programmatic committees) will nominate Board members to serve as chair and vice chair of their respective committees. Those recommendations will be submitted to the Board at the Board meeting to be held on January 30, 2024.

**Recommended USAC Schools & Libraries Committee Action**

APPROVAL OF THE FOLLOWING RESOLUTION:

**RESOLVED**, that the USAC Schools & Libraries Committee recommends that the USAC Board of Directors elect \_\_\_\_\_ as Chair and \_\_\_\_\_ as Vice Chair of the Committee. The term for each position \_\_\_\_\_

<sup>1</sup> USAC Board of Directors Meeting Minutes, at 4 (Jan. 25, 2000), available at <https://www.usac.org/about/leadership/board-minutes/>.

begins immediately upon the election to such position by the Board and ends at such time as the Chair or Vice Chair (as the case may be): (i) is replaced by a successor selected by the Board, (ii) resigns from the Committee or the Board, (iii) is removed by resolution of the Board, or (iv) is no longer a member of the Board (whichever comes first).

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

**ACTION ITEM**

**Approval of Schools and Libraries Support Mechanism  
2<sup>nd</sup> Quarter 2024 Programmatic Budget and  
Demand Projection for February 1, 2024, FCC Filing**

**Action Requested**

The Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve a 2nd Quarter 2024 (Q2 2024) programmatic budget and demand projection for the Schools and Libraries Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's February 1, 2024, quarterly filing.

**Discussion**

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

**Funding Requirement**

USAC estimates the Q2 2024 funding requirement for the Schools and Libraries Support Mechanism as follows:

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

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

Table A. Program Funding Requirement

<i>(in millions)</i>	Q1 2024	Increase/ (Decrease)	Q2 2024	Notes
<b>Steady State:</b>				
Program Funding Requirement	\$631.45	\$0.00	\$631.45	See Notes 1 and 2, and Table B
<b>New Requirements:</b>				
N/A	0.00	0.00	0.00	
<b>Total Program Funding Requirement</b>	<b>\$631.45</b>	<b>\$0.00</b>	<b>\$631.45</b>	
<b>Prior Period Adjustments (difference between projections and actuals):</b>				
Billings	(13.69)	15.82	2.13	
Interest Income	(0.01)	(0.01)	(0.02)	
Bad Debt Expense	(3.96)	(1.39)	(5.35)	
<b>Total Prior Period Adjustments</b>	<b>(\$17.66)</b>	<b>\$14.42</b>	<b>(\$3.24)</b>	
USAC Administrative Expenses	<b>\$21.17</b>	<b>\$2.98</b>	<b>\$24.15</b>	See Table C
<b>Total Funding Requirement</b>	<b>\$634.96</b>	<b>\$17.40</b>	<b>\$652.36</b>	

**Note 1:** The Program Funding Requirement represents one quarter of the remaining collections required to meet projected demand for Funding Year 2023 of \$2,712.39 million. The FCC authorized USAC to carry forward \$440.22 million to Funding Year 2023. The FCC further directed USAC to use \$250 million of the funds carried forward to reduce collections for Funding Year 2023 and to reserve remaining funds carried forward for future use. 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. We have updated the table below to reflect the guidance provided by the FCC to reserve funds for future use.

Table B. Funding Year 2023 Program Funding Requirement and Roll Forward

<i>(in millions)</i>	<b>Fund Year 2023</b>
<b>Total Requested (In Window)</b>	\$2,944.01
Decrease for Denials/Cancellations (based on 5 yr. average)	(319.58)
Increase for Out of Window Apps (based on 5 yr. average)	87.96
<b>Estimated Demand</b>	<b>\$2,712.39</b>
<b>Less Roll Forward Used to Offset Collections</b>	
Available Funds from Prior Fund Year	\$2,956.69
Disbursements	(\$2,171.18)
Reserved Funds, Net Change	
a. Pending Applications to Process	\$202.55
b. Unliquidated Obligations (ULOs)	(\$563.63)
c. Appeals Reserve - USAC Appeals	\$10.89
d. Appeals Reserve - FCC Appeals	(\$1.57)
e. Unpaid Invoices	\$6.47
f. Reserve for future use (per FCC guidance)	(\$190.22)
<b>Total Roll Forward</b>	<b>\$250.00</b>
<b>Funding Year 2023 Collection Requirement</b>	<b>\$2,462.39</b>

Based on the projected burn rate, USAC estimates the following Q2 2024 programmatic budget:

Table C. Quarterly Programmatic Budget

<i>(in millions)</i>	<b>Q1 2024 Budget</b>	<b>Increase/ (Decrease)</b>	<b>Q2 2024 Budget</b>	<b>Notes</b>
<b>Direct Program Costs</b>				
Employee Expenses	\$2.14	\$0.12	\$2.26	
Professional Services	3.51	2.07	5.58	
General & Administrative	0.00	0.00	0.00	See Note 3
<b>Total Direct Program Costs</b>	<b>\$5.65</b>	<b>\$2.19</b>	<b>\$7.84</b>	
<b>Direct Assigned Costs</b>				
Employee Expenses	\$0.93	\$0.16	\$1.09	
Professional Services	2.03	0.16	2.19	
General & Administrative	0.72	0.14	0.86	See Note 3
<b>Total Direct Assigned Costs</b>	<b>\$3.68</b>	<b>\$0.46</b>	<b>\$4.14</b>	
<b>Total Direct Program &amp; Direct Assigned Costs</b>	<b>\$9.33</b>	<b>\$2.65</b>	<b>\$11.98</b>	
<b>Common Allocated Costs</b>	<b>\$11.84</b>	<b>\$0.33</b>	<b>\$12.17</b>	
<b>Total Programmatic Budget</b>	<b>\$21.17</b>	<b>\$2.98</b>	<b>\$24.15</b>	

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

A comparison of actual expenditures to the budget for the twelve months ending December 31, 2023, is provided in **Attachment 1**.

### **Recommendation**

USAC management recommends that the Committee approve the Q2 2024 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 2nd Quarter 2024 Schools and Libraries Support Mechanism direct program budget of \$11.98 million and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$11.98 million for Schools and Libraries Support Mechanism administrative costs in the required February 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 January 29, 2024, the 2nd Quarter 2024 Schools and Libraries Support Mechanism demand estimate of \$652.36 million, hereby directs USAC staff to proceed with the required February 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 Twelve Months Ending December 31, 2023

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
<b>Direct Program Costs</b>						
Employee Expenses	59	63	4	\$7.83	\$8.06	\$0.23
Professional Services (Note 4)				14.87	17.53	2.66
General & Administrative (Note 5)				0.00	0.00	0.00
<b>Total Direct Program Costs</b>				<b>\$22.70</b>	<b>\$25.59</b>	<b>\$2.89</b>
<b>Direct Assigned Costs</b>						
Employee Expenses	21	17	(4)	\$3.50	\$2.96	(\$0.54)
Professional Services (Note 4)				9.54	9.37	(0.17)
General & Administrative (Note 5)				2.95	2.66	(0.29)
<b>Total Direct Assigned Costs</b>				<b>\$15.99</b>	<b>\$14.99</b>	<b>(\$1.00)</b>
<b>Total Direct Program &amp; Direct Assigned Costs</b>	<b>80</b>	<b>80</b>	<b>0</b>	<b>\$38.69</b>	<b>\$40.58</b>	<b>\$1.89</b>
<b>Common Allocated Costs (Note 6)</b>				<b>\$39.24</b>	<b>\$40.76</b>	<b>\$1.52</b>
<b>Total Programmatic Budget</b>				<b>\$77.93</b>	<b>\$81.34</b>	<b>\$3.41</b>

**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.

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# **Schools and Libraries Committee**

E-Rate Business Update

*Open Session*

January 29, 2024



# Agenda

- 2023 Accomplishments
- 2024 Plans
- 2024 E-Rate Systems Modernization
- Q1 2024 Plans
- Roadmap
- Appendix A: Program Metrics
- Appendix B: Glossary of Terms

# 2023 Accomplishments

- **Program Integrity Assurance (PIA):**
  - Completed over 96.5 percent of workable FY2023 applications by September 1 for almost \$2 billion in obligations, nearly reaching the 97 percent completed in FY2022 despite extra validation work verifying school discounts and student counts.
  - Reduced 2022 applications backlog by 65 percent and cut dollars under review for prior years from \$211 million to \$57 million.
  - Implemented a broader set of analytics aimed at identifying non-compliant applications in efforts to combat fraud, waste, and abuse.
- **Legacy Systems Consolidation (LSC):**
  - Successfully deployed invoicing and other capabilities within EPC to support invoice submissions, invoice reviews, and payment authorizations. Supported LSC by:
    - Clearing pending invoice-related customer service cases and all workable legacy invoices older than 60 days
    - Preparing new EPC invoicing procedures, job aids, and training materials for both internal and external stakeholders

# 2023 Accomplishments (Continued)

- **Invoicing:**

- Authorized invoices for \$2.46 billion in 2023, compared with \$2.08 billion in 2022 – a 15 percent year-over-year improvement
- Reduced average time to complete manually reviewed invoice lines by 65 percent using EPC capabilities
- Successfully processed the first EPC payment files in November 2023, with over \$320 million authorized for payment via EPC through year-end 2023

- **Improper Payment Rate:**

- The E-Rate Improper Payment Rate fell to 1.65 percent in FY2023, compared with 3.75 percent in FY2022.

- **Outreach and Training:**

- Held first successful in-person training since the COVID-19 pandemic for 150 attendees at FCC headquarters in Washington, D.C. Positive feedback received on format, which included question blocks at the end of each session.

# 2024 Plans

- PIA:
  - Successfully open and close the FY2024 filing window (Jan. 17 – Mar. 27, 2024)
  - Process new Tribal Library applications consistent with updated rules (FCC 23-56)
  - Support Tribal Library E-Rate participation by providing one-on-one assistance to Tribal Library applicants in FY2024
  - Process applications requesting newly eligible services and equipment associated with wireless services on school buses
- Successfully set up and administer the FCC's Cybersecurity Pilot Program by:
  - Developing proposed Cybersecurity Pilot Program forms
  - Processing forms, obligating USF dollars, and authorizing payments for eligible cybersecurity products and services
- Maintain and improve operational cadences for all pre- and post-commitment transactions to support better operational velocity and efficiency
- Decommission remaining legacy system capabilities

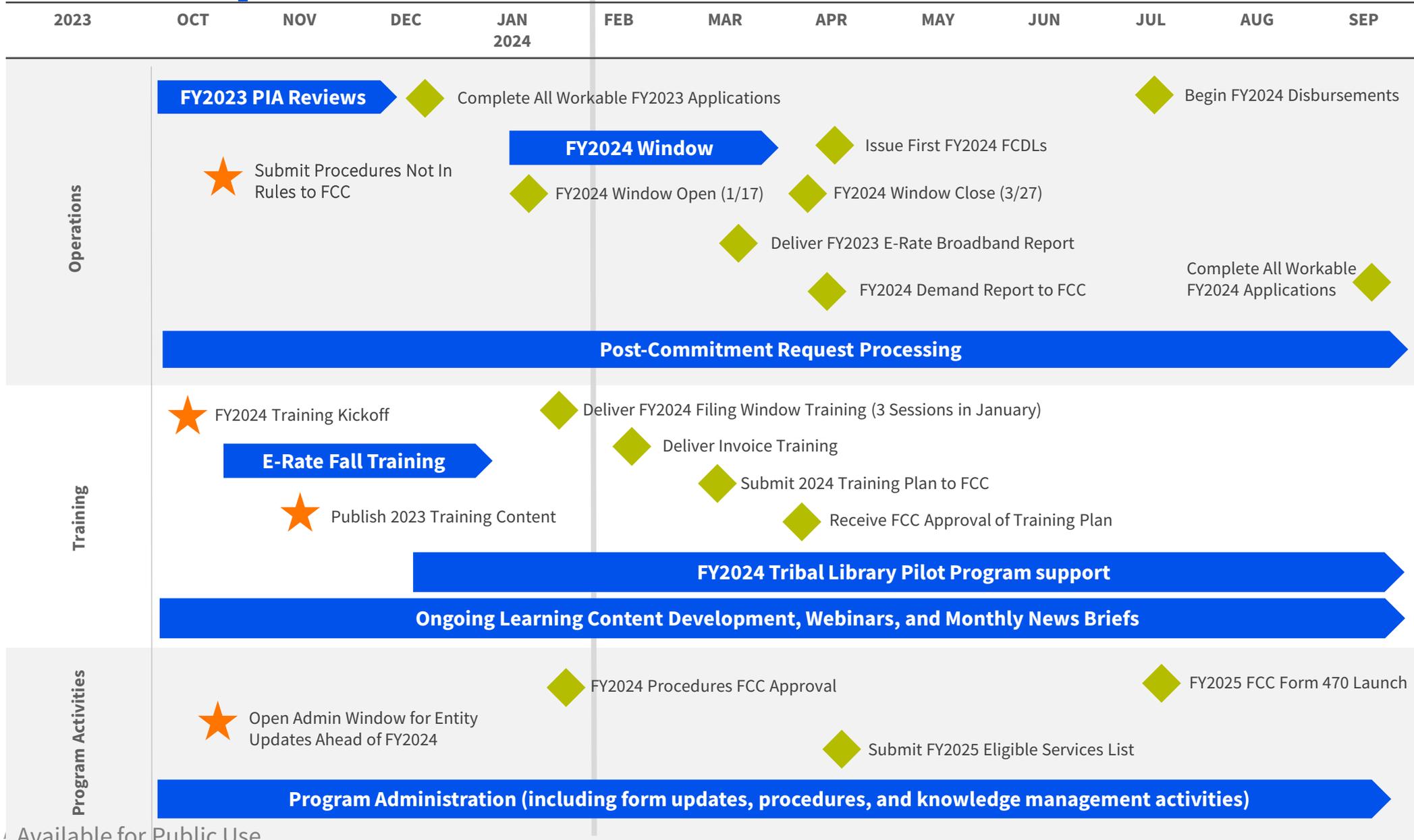
# 2024 E-Rate Systems Modernization

- Decommission remaining legacy systems to support improved document management and storage and enable PIA processing for applications prior to FY2016
- Update EPC to support Tribal Library updates, Wi-Fi on school buses, and other potential changes that may require systems and forms modifications (Q1 2024 to Q2 2024)
- Successfully create system capabilities supporting the FCC's Cybersecurity Pilot Program
- Modernize existing EPC functionality to improve system performance, efficiency, and usability necessary to increase automation, support a better stakeholder experience, and improve processing throughput

# Q1 2024 Plans

- Update and finalize FY2024 PIA procedures to support USAC and BPO vendor PIA staff training in support of FY2024 application processing, with the goal of completing 95 percent of all FY2024 workable FCC Form 471 applications by September 1
- Deliver FY2024 E-Rate training sessions, including eligible services and pre-commitment processes, and hold Office Hours sessions on fall 2023 training topics (e.g., service provider selection, competitive bidding, etc.)
- Support Tribal Library Pilot Program applicants to enable timely filing of E-Rate forms and improve applicant compliance with newly established rules for participation in E-Rate
- Help the FCC Cybersecurity Pilot Program provide cybersecurity and advanced firewall services to eligible schools and libraries by developing initial forms for program administration

# Roadmap



**Milestone Legend**

- At Risk
- On Track
- Completed

# Appendix A: Program Metrics

E-Rate Pre-Commitment (Data through December 31, 2023)

		Q1	Q2	Q3	Q4	Total	
<b>Requested</b>	2023	Demand	34,576	478	7	8	35,069
		Requested Dollars	\$2,951,470,030	\$86,631,354	\$231,622	\$150,544	\$3,038,483,550
		Avg. Days Outstanding	300	267	115	65	299
	2022	Demand	35,191	573	2	2	35,768
		Requested Dollars	\$3,169,497,779	\$40,873,454	\$38,390	\$289,164	\$3,210,698,787
		Avg. Days Outstanding	668	625	497	422	667
<b>Committed</b>	2023	Reviewed Applications		29,478	3,804	1,082	34,364
		Reviewed Dollars		\$1,620,808,357	\$743,122,069	\$341,556,762	\$2,705,487,188
	2022	Reviewed Applications		32,534	1,966	873	35,373
		Reviewed Dollars		\$2,062,972,599	\$668,813,140	\$331,705,640	\$3,063,491,379

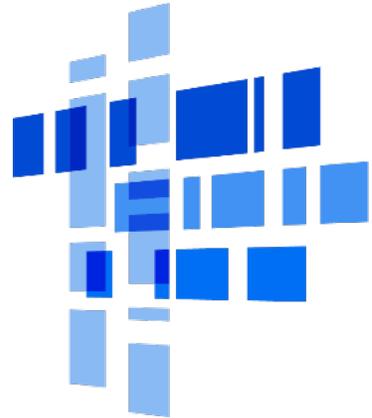
# Appendix A: Program Metrics (Continued)

E-Rate Post-Commitment (Data through December 31, 2023)

			Q1	Q2	Q3	Q4	Total
<b>Submitted</b>	2023	Invoice Counts	67,944	64,282	79,324	73,432	284,982
		Invoice Dollars	\$632,978,937	\$650,245,525	\$960,946,238	\$800,167,680	\$3,044,338,380
	2022	Invoice Counts	72,512	68,731	75,273	65,071	281,587
		Invoice Dollars	\$603,170,262	\$506,042,308	\$730,788,300	\$618,965,548	\$2,458,966,418
<b>Disbursed</b>	2023	Invoice Counts	61,869	64,628	77,366	73,085	276,948
		Invoice Dollars	\$445,813,984	\$543,795,823	\$732,945,221	\$640,879,339	\$2,363,434,367
	2022	Invoice Counts	71,398	67,663	70,535	71,497	281,093
		Invoice Dollars	\$532,816,948	\$426,890,200	\$559,416,635	\$578,626,632	\$2,097,750,415

# Appendix B: Glossary of Terms

Term	Definition
EPC	E-Rate Productivity Center
FCC	Federal Communications Commission
FRN	Funding Request Number
FY	Funding Year
PIA	Program Integrity Assurance
SL	Schools and Libraries
TCU	Tribal College and University
USF	Universal Service Fund



**Universal Service  
Administrative Co.**