



Schools and Libraries Committee  
Briefing Book

Monday, January 26, 2026

11:00 a.m.– 12:00 p.m. ET

Available for Public Use

Universal Service Administrative Company  
700 12th Street, N.W., Suite 900  
Washington, D.C. 20005

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

**Monday, January 26, 2026**  
**11:00 a.m.– 12:00 p.m. Eastern Time**  
**VIRTUAL MEETING**  
**USAC Offices**  
**700 12th Street NW, Suite 900**  
**Washington, DC 20005**

<b><u>OPEN SESSION</u></b>		<i>Estimated Duration in Minutes</i>
Available for Public Use		
Chair	<b>a1.</b> Consent Items (each available for discussion upon request): <ul style="list-style-type: none"> <li><b>A.</b> Approval of Schools &amp; Libraries Committee Meeting Minutes of October 27, 2025</li> <li><b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></li> </ul>	2
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 2026 Programmatic Budget and Demand Projection for January 30, 2026, FCC Filing	5
Craig	<b>i1.</b> E-Rate Business Update <ul style="list-style-type: none"> <li>• 2025 Accomplishments</li> <li>• 2026 Program Plans</li> <li>• Cybersecurity Pilot Program Update</li> <li>• Tribal Library E-Rate Advocacy Program (T-LEAP) Update</li> </ul>	25
Steve		

<b><u>INFORMATION ONLY</u></b>		<i>Estimated Duration in Minutes</i>
Available for Public Use		
Craig	<b>i2.</b> E-Rate Business Update ( <i>Continued</i> ) <ul style="list-style-type: none"> <li>• Q4 2025 Accomplishments</li> <li>• Q1 2026 Program Plans</li> <li>• Roadmap</li> <li>• Appendix A. Program Metrics</li> <li>• Appendix B. Glossary of Terms</li> </ul>	–
Teleshia	<b>i3.</b> Information on Nine USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports	–

<b><u>EXECUTIVE SESSION</u></b>		<i>Estimated Duration in Minutes</i>
<b><i>Executive Session Recommended</i></b>		
Craig	<b>i4.</b> E-Rate Business Update ( <i>Continued, if needed</i> )	–

	<u><b>EXECUTIVE SESSION</b></u> <b><i>Executive Session Recommended</i></b>	<i>Estimated Duration in Minutes</i>
Craig	<b>a4.</b> Approval of Schools and Libraries Support Mechanism 2026 Annual Programmatic Budget	10

	<u><b>EXECUTIVE SESSION – INFORMATION ONLY</b></u> <b><i>Executive Session Recommended</i></b>	<i>Estimated Duration in Minutes</i>
Craig	<b>i5.</b> Information on One USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Reports	–

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

<b>Monday, April 27, 2026</b>
<b>USAC Offices, Washington, D.C.</b>

**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 October 27, 2025 (*see Attachment A*).
- B.** Approval of moving the following *Executive Session* items into *Executive Session*:
  - (1) **i4.** 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.
  - (2) **a4.** Approval of Schools and Libraries Support Mechanism 2026 Annual Programmatic Budget. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's **procurement strategy and contract administration**, as well as **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. In addition, this includes **pre-decisional matters pending before the FCC**.
  - (3) **i5.** Information on One Confidential USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Report. USAC management recommends that this item 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 item relates to the **eligibility, payment status, request for funding, or other issue regarding a specific participant** in any of the universal service support mechanisms where discussion of the matter in open session could reveal trade secrets or commercial or financial information obtained from a person or entity.

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 October 27, 2025; 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, October 27, 2025**

**(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 27, 2025. Amber Gregory, Committee Chair, called the meeting to order at 3:01 p.m. Eastern Time, with a quorum of six of the 10 Committee members present:

Chacko, Sheba – *by telephone*

Chalk, Indra

Garber, Michelle, Chief Executive Officer (Interim), and Assistant Treasurer

Gregory, Amber – Chair

Schell, Julie Tritt

Wade, Dr. Joan – Vice Chair

Ms. Christine Sanquist joined the meeting *by telephone* at 3:16 p.m. Eastern Time. She did not participate in the discussion or vote on items a1-a3. Ms. Thompson joined the meeting *by telephone* at 3:07 p.m. Eastern Time. She did not participate in the discussion or vote on items a1 or a2. Ms. Chacko left the meeting at 3:21 p.m. Eastern Time. She did not participate in the discussion of items i1-i5.

Members of the Committee not present:

Dalhover, Brian

Schuler, Dr. David

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer

Butler, Stephen – Vice President of Shared Services

Davis, Craig – Vice President of Schools and Libraries

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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, or to correct grammatical or spelling errors.

## Action Item #aSL01 01/26/2026

Attachment A

Minutes of October 27, 2025

Page 2 of 5

Delmar, Teleshia – Vice President of Audit and Assurance  
 Francisco, Dale – Chief Financial Officer (Interim)  
 Gaither, Victor – Vice President of High Cost – *by telephone*  
 Green, Anisa – Member of the Board  
 Kettwich, Dan – Member of the Board  
 Mason, Ken – Member of the Board — *by telephone*  
 O'Brien, Tim – Vice President of Lifeline  
 Semmler, Kara – Member of the Board – *by telephone*  
 Siefer, Angela – Member of the Board – *by telephone*  
 Sweeney, Mark – Vice President of Rural Health Care  
 Waller, Jeffery – Member of the Board – *by telephone*  
 Wein, Olivia – Member of the Board  
 Wibberly, Dr. Kathy – Member of the Board – *by telephone*  
 Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Ayer, Catriona	USAC
Braxton, Carolyn	USAC
Claxton, Naomi	USAC
Corra, Kristen – <i>by telephone</i>	Schools, Health & Libraries Broadband Coalition
Dando, Gina – <i>by telephone</i>	Crown Castle
Flood, Michael – <i>by telephone</i>	Alpine Frog, LLC
Goode, Vernel	USAC
Grimmer, Brian – <i>by telephone</i>	E-Rate Online, LLC
Josephs, Fred – <i>by telephone</i>	CSM Consulting, Inc.
Keating, Megan – <i>by telephone</i>	Funds For Learning
King, Ryan	USAC
Kreuger, Katie – <i>by telephone</i>	KPMG
Kriete, Debra – <i>by telephone</i>	South Dakota Department of Education
LeNard, David – <i>by telephone</i>	CDW-G
Morgan, Meredith	USAC
Morris, Christine – <i>by telephone</i>	Ohio Public Library Information Network
Nuzzo, Patsy	USAC
Old Crow, Alexa – <i>by telephone</i>	Funds for Learning
Rovetto, Ed	USAC
Sagnella, Mary – <i>by telephone</i>	E-Rate Online LLC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies, LLC
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC
White, Stacy Ann – <i>by telephone</i>	USAC

## **OPEN SESSION**

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

**a1. Consent Items.** Ms. Gregory presented this item for consideration.

- A. Approval of Schools and Libraries Committee meeting minutes of July 28, 2025.**
- B. Approval of moving all *Executive Session* items into *Executive Session*:**
  - (1) **i4.** E-Rate Business Update (*Continued*). USAC management recommends that this item be discussed in *Executive Session* because it relates to ***specific internal controls and/or confidential company data*** that would constitute a discussion of internal rules and procedures.
  - (2) **i5.** Information on Two USAC Audit and Assurance Audit Division Schools and Libraries Support Mechanism Beneficiary Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it relates to ***specific internal controls and/or confidential company data*** that would constitute a discussion of internal rules and procedures.

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

**RESOLVED**, that the Schools & Libraries Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of July 28, 2025; and (2) discussion in *Executive Session* of the items noted above.

**a2. Approval of Schools and Libraries Support Mechanism 1st Quarter 2026 Programmatic Budget and Demand Projection for the October 31, 2025, 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 1st Quarter 2026 programmatic budget and demand projection for the October 31, 2025, 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 2026 Schools and Libraries Support Mechanism direct program budget of \$9.11 million and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$9.11 million for Schools and Libraries Support Mechanism administrative costs in the required October 31, 2025 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 27, 2025, the 1st Quarter 2026 Schools and Libraries Support Mechanism demand estimate of \$648.93 million, hereby directs USAC staff to proceed with the required October 31, 2025, 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 2026 Filing Window Dates.** Mr. Davis presented this item to the Committee.

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 2026 application filing window no earlier than January 2026 and to close the Funding Year 2026 FCC Form 471 application filing window no earlier than March 2026, 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 2026 application filing window opening and closing dates, as circumstances may warrant and in accordance with section 54.507(c) of the FCC's rules.

**i1. E-Rate Business Update.** Mr. Davis presented PowerPoint slides to the Committee covering the following items:

- Funding Year 2025 Commitment Results
- Q3 2025 Accomplishments
- FY2026 Readiness

- Q4 2025 Plans
- Cybersecurity Pilot Program Update

i2. **E-Rate Business Update (Continued).** This item was provided for *information purposes only*. No discussion was held. Ms. Gregory noted that the Schools and Libraries materials listed below would be made public and posted to the USAC website.

- Roadmap
- Appendix A: Program Metrics
- Appendix B: Glossary of Terms

i3. **Information on 14 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. Ms. Gregory noted that the Schools and Libraries Audit Briefing Book would be made public and posted to the USAC website.

At 3:35 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**

i4. **E-Rate Business Update (Continued).** Mr. Davis presented this item to the Committee providing an update on the status of the transition to a new business process outsourcing vendor.

i5. **Information on Two 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.

### **OPEN SESSION**

At 3:50 p.m. Eastern Time, the Committee moved out of ***Executive Session*** and immediately reconvened in ***Open Session***, at which time Ms. Gregory reported that, in ***Executive Session***, the Committee discussed item i4.

On a motion duly made and seconded, the Committee adjourned at 3:51 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 27, 2026.

**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 28, 2025, the Board elected Amber Gregory as Chair and Dr. Joan Wade as Vice Chair of the Schools & Libraries Committee.

At their January 26, 2026 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 27, 2026.

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

**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 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 2nd Quarter 2026 Programmatic Budget and Demand Projection for January 30, 2026, FCC Filing**

##### **Action Requested**

The Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve a 2nd Quarter 2026 (Q2 2026) programmatic budget and demand projection for the Schools and Libraries Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's January 30, 2026, 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 2026 funding requirement for the Schools and Libraries Support Mechanism as follows:

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

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

Table A. Program Funding Requirement

<i>(in millions)</i>	<b>Q1 2026</b>	<b>Increase/ (Decrease)</b>	<b>Q2 2026</b>	<b>Notes</b>
<b>Steady State:</b>				
Program Funding Requirement	\$628.68	\$0.00	\$628.68	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>\$628.68</b>	<b>\$0.00</b>	<b>\$628.68</b>	
<b>Prior Period Adjustments (difference between projections and actuals):</b>				
Billings	\$6.68	(8.39)	(1.71)	
Interest Income	(0.16)	(0.07)	(0.23)	
Bad Debt Expense	(6.03)	1.48	(4.55)	
<b>Total Prior Period Adjustments</b>	<b>\$0.49</b>	<b>(6.98)</b>	<b>(6.49)</b>	
USAC Administrative Expenses	<b>\$19.76</b>	<b>(\$0.03)</b>	<b>\$19.73</b>	See Table C
<b>Total Funding Requirement</b>	<b>\$648.93</b>	<b>(\$7.01)</b>	<b>\$641.92</b>	

**Note 1:** The Program Funding Requirement represents one-quarter of the collections required to meet the projected demand for Funding Year 2025 of \$3,014.72 million, net of adjustments for denials and cancellations. Per FCC guidance, USAC originally carried forward \$500 million to Funding Year 2025. Based on further guidance provided by the FCC in September 2025, USAC applied an additional \$100 million in unused Schools & Libraries (E-Rate) program funds to offset the \$628.68 million projected E-Rate program demand for Q4 2025. See Table B below for additional details.

**Note 2:** Table B is an annual schedule that is typically updated once a year for the April Board meeting. This table has been updated to reflect the additional \$100 million in unused funds applied to Q4 2025 demand.

Table B. Funding Year 2025 Program Funding Requirement and Roll Forward

<i>(in millions)</i>	<b>Fund Year 2025</b>
<b>Total Requested (In Window)</b>	<b>\$3,224.72</b>
Decrease for Denials/Cancellations (based on 5 yr. average)	(303.71)
Increase for Out of Window Apps (based on 5 yr. average)	93.71
<b>Estimated Demand</b>	<b>\$3,014.72</b>
 <b>Less Roll Forward Available to Offset Collections</b>	
Remaining Available Funds from Prior Fund Year	\$550.12
Reserved Funds, Net Change	
a. Pending Applications to Process	(32.47)
b. Unliquidated Obligations (ULOs)	57.97
c. Appeals Reserve - USAC Appeals	47.24
d. Appeals Reserve - FCC Appeals	(22.87)
e. Reserve for future use (per FCC guidance)	0.00
f. Unpaid Invoices	0.00
<b>Total Roll Forward</b>	<b>\$600.00</b>
 <b>Funding Year 2025 Collection Requirement</b>	 <b>\$2,414.72</b>

Based on the projected burn rate, USAC estimates the following Q2 2026 programmatic budget:

Table C. Quarterly Programmatic Budget

<i>(in millions)</i>	<b>Q1 2026 Budget</b>	<b>Increase/ (Decrease)</b>	<b>Q2 2026 Budget</b>	<b>Notes</b>
<b>Direct Program Costs</b>				
Employee Expenses	\$2.19	\$0.36	\$2.55	
Professional Services	3.51	0.29	3.80	
General & Administrative	0.00	0.02	0.02	See Note 3
<b>Total Direct Program Costs</b>	<b>\$5.70</b>	<b>\$0.67</b>	<b>\$6.37</b>	
<b>Direct Assigned Costs</b>				
Employee Expenses	\$0.94	\$0.02	\$0.96	
Professional Services	1.79	0.00	1.79	
General & Administrative	0.68	0.01	0.69	See Note 3
<b>Total Direct Assigned Costs</b>	<b>\$3.41</b>	<b>\$0.03</b>	<b>\$3.44</b>	
<b>Total Direct Program &amp; Direct Assigned Costs</b>	<b>\$9.11</b>	<b>\$0.70</b>	<b>\$9.81</b>	
<b>Common Allocated Costs</b>	<b>\$10.65</b>	<b>(\$0.73)</b>	<b>\$9.92</b>	
<b>Total Programmatic Budget</b>	<b>\$19.76</b>	<b>(\$0.03)</b>	<b>\$19.73</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, 2025, is provided in **Attachment 1**.

**Recommendation**

USAC management recommends that the Committee approve the Q2 2026 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 2026 Schools and Libraries Support Mechanism direct program budget of \$9.81 million and

**RESOLVED FURTHER**, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of \$9.81 million for Schools and Libraries Support Mechanism administrative costs in the required January 30, 2026 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 26, 2026, the 2nd Quarter 2026 Schools and Libraries Support Mechanism demand estimate of \$641.92 million, hereby directs USAC staff to proceed with the required January 30, 2026, 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, 2025

(\$ in millions)	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
<b>Direct Program Costs</b>						
Employee Expenses	61	67	6	\$9.16	\$9.83	\$0.67
Professional Services (Note 4)				16.86	16.00	(0.86)
General & Administrative (Note 5)				0.02	0.02	0.00
<b>Total Direct Program Costs</b>				\$26.04	\$25.85	(\$0.19)
<b>Direct Assigned Costs</b>						
Employee Expenses	20	18	(2)	\$3.84	\$3.64	(\$0.20)
Professional Services (Note 4)				8.31	7.08	(1.23)
General & Administrative (Note 5)				2.90	2.29	(0.61)
<b>Total Direct Assigned Costs</b>				\$15.05	\$13.01	(\$2.04)
<b>Total Direct Program &amp; Direct Assigned Costs</b>	<b>81</b>	<b>85</b>	<b>4</b>	<b>\$41.09</b>	<b>\$38.86</b>	<b>(\$2.23)</b>
<b>Common Allocated Costs (Note 6)</b>				<b>\$42.19</b>	<b>\$48.97</b>	<b>\$6.78</b>
<b>Total Programmatic Budget</b>				<b>\$83.28</b>	<b>\$87.83</b>	<b>\$4.55</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.

# **Schools and Libraries Committee**

## E-Rate Business Update

### *Open Session*

### January 26, 2026

# Agenda

- 2025 Accomplishments
- 2026 Program Plans
- Cybersecurity Pilot Program Update
- Tribal Library E-Rate Advocacy Program (T-LEAP) Update

# 2025 Accomplishments

- **Program Integrity Assurance (PIA)**
  - Completed 95.1 percent of workable funding year (FY) 2025 applications by September 1 for \$2.11 billion in obligations.
  - Reduced prior-year (FY2016 to FY2024) PIA application backlog by 88 percent since January (579 vs. 69 applications) and cut dollars under review for prior years from \$489.4 million to \$56 million.
- **FY2026 FCC Form 471 Application Filing Window Preparations**
  - Deployed FY2026 FCC Form 470 on July 1, 2025.
  - Opened administrative window on October 15 ahead of FY2026 window to allow for entity updates.
  - Made FY2026 system updates including Category Two (C2) budget updates for FY2026-FY2030 cycle.
  - Updated PIA procedures and Eligible Services List for FY2026.
  - Received FY2026 FCC Form 471 application filing date approvals from FCC.

# 2025 Accomplishments (Continued)

- **Invoicing**
  - Authorized invoices for \$2.38 billion in 2025, compared with \$2.61 billion in 2024 – an 8.8 percent decrease.
  - Cut average time to complete manually reviewed invoice lines by 31 percent (48 average days in 2024 vs. 33 average days in 2025) using EPC capabilities.
  - Successfully processed 279,067 invoice lines in 2025 vs. 285,088 in 2024.
- **Cybersecurity Pilot Program (Pilot Program)**
  - Developed intake and review modules for Pilot Program FCC Forms 484 (Parts 1 and 2), 470, 471, 472, 474, and 488.
  - Developed and received approval for Pilot Program procedures including PIA, invoicing, appeals, and post-commitment requests.
  - Released first wave of Funding Commitment Decision Letters (FCDLs) in December 2025.
  - Created various reports and dashboards to manage Pilot Program activities and released an Open Data set for the public.

# 2025 Accomplishments (Continued)

- **Outreach and Training**
  - Held two in-person training sessions in Denver, Colorado on September 9, and in Washington, D.C. on September 16. There were over 200 in-person attendees for both events, and another 200 participants joined the Washington, D.C. training virtually.
  - Hosted 18 webinars covering all phases of E-Rate application and disbursement processes with more than 1,120 participants.
- **Business Process Outsourcing (BPO) Vendor Transition**
  - Successfully onboarded BPO leadership team and subsequent training groups in Q4 2025 (more than 110 employees).
  - Conducted initial and advanced training classes covering PIA, heightened scrutiny, invoicing, and post-commitment activities and conducted transactions in EPC test environment to apply processing steps.
  - Successfully transitioned to take over processing of all E-Rate BPO transactions on January 2, 2026.

# 2026 Program Plans

- **Program Integrity Assurance**
  - Successfully open and close the FY2026 application filing window (January 21 – April 1, 2026).
  - Process 95 percent of workable E-Rate applications for FY2026 by September 1.
  - Complete EPC work to implement the new FY2026-FY2030 five-year budget cycle.
- Maintain or improve operational cadences for all pre- and post-commitment transactions to improve operational velocity and efficiency.
- **Training and Outreach**
  - Deliver on 2026 training plan for FY2026 in the first quarter and remainder of year.
  - Support Tribal library E-Rate participation by providing one-on-one assistance to **Tribal Library E-Rate Advocacy Program (T-LEAP)** applicants in FY2026.
- **Schools and Libraries Cybersecurity Pilot Program (Pilot Program)**
  - Successfully update EPC systems, processes, and procedures to support all Pilot Program functions.
  - Process forms, obligate USF dollars, and authorize payments for eligible cybersecurity products and services.

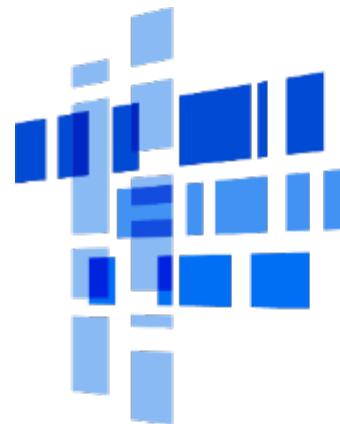
# Cybersecurity Pilot Program Update

- The FCC Form 484 Part 1 application filing window was open from September 17 to November 1, 2024.
  - USAC received 2,729 applications requesting more than \$3.8 billion.
  - The FCC selected 707 applicants to proceed to the next phase of the Pilot Program (submitting Pilot FCC Form 484 Part 2 and applying for funding). Seventeen applicants timely withdrew their projects.
- The FCC Form 470 (competitive bidding/description of services) could be filed until August 18, 2025.
- The Pilot FCC Form 471 application filing window opened March 18 and closed September 15, 2025. 716 Pilot FCC Forms 471 were submitted, requesting \$153.4 million in Pilot Program support.
  - Committed 172 Pilot FCC Form 471 applications for \$18.8 million in first wave on December 17, 2025.

# Tribal Library E-Rate Advocacy Program (T-LEAP)

## Overview

- T-LEAP supports Tribal libraries who need additional E-Rate support.
- Program includes one-on-one assistance in all aspects of preparing, applying, and receiving E-Rate support throughout funding year. Each Tribal Library is assigned a Tribal Library Advocate (TLA).
- USAC's Shared Services team manages the overall T-LEAP program and E-Rate staff provides subject matter expertise and TLAs.
- Dedicated webpages and training were created to support T-LEAP participants.
- T-LEAP applications are accepted year-round with three focused trainings yearly – this change has increased participation in the program.
- USAC is currently supporting 12 Tribal libraries for FY2026.



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# **Schools and Libraries Committee**

## E-Rate Business Update

*Open Session – Information Only*

January 26, 2026

# Agenda

- Q4 2025 Accomplishments
- Q1 2026 Program Plans
- Roadmap
- Appendix A: Program Metrics
- Appendix B: Glossary of Terms

# Q4 2025 Accomplishments

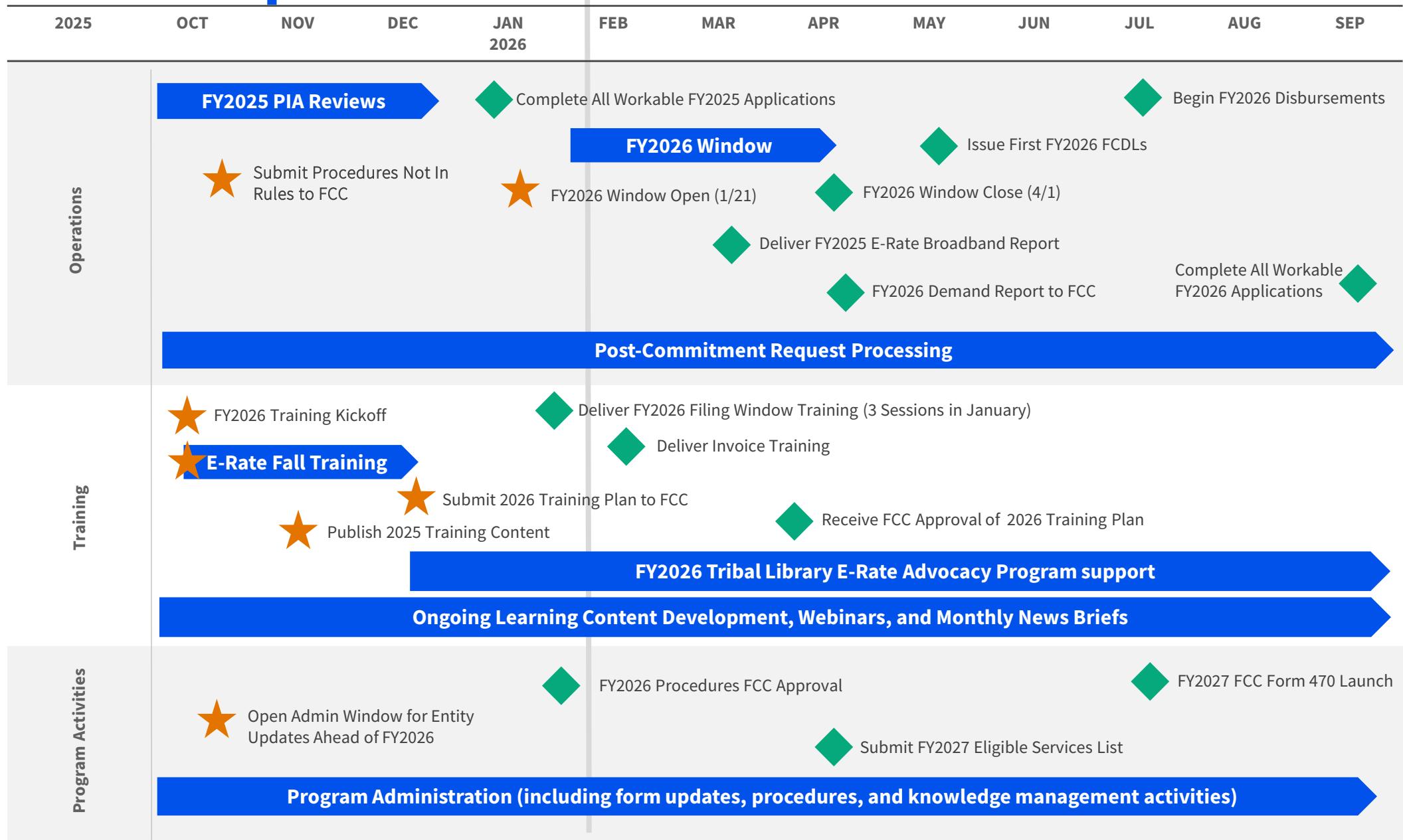
- Reduced prior-year funding year (FY)(2016 to 2024) PIA application backlog by 88 percent since January (579 vs. 69 applications) and cut dollars under review for prior years from \$489.4 million to \$56 million.
- Authorized disbursements of \$596.7 million for all funding years in Q4 2025 compared with \$670.4 million in Q4 2024.
- **Training and Outreach**
  - USAC held five fall training series webinars in Q4 2025, including invoicing, Category Two budgets, the post-commitment process, the EPC Administrative Window, and Eligible Services 101.
  - Held two in-person training sessions in Denver, Colorado on September 9, and in Washington, D.C. on September 16. There were over 200 in-person attendees for both events, and another 200 participants joined the Washington, D.C. training virtually.
- Successfully transitioned business processing operations (BPO) vendors from Maximus to Ernst & Young (EY), with EY assuming full operational responsibilities as of January 2, 2026.

# Q1 2026 Program Plans

- **FY2026 Administration**
  - Successfully open and close the FY2026 application filing window (January 21 – April 1, 2026).
- **Program Operations**
  - Continue working to complete prior-year reviews of all workable E-Rate FCC Form 471 applications.
  - Continue processing prior-year applications, appeals, commitment adjustments, and other program transactions.
  - Continue processing invoices in a timely manner as two invoicing deadlines approach in January and February.
  - Complete EPC work to implement the new FY2026-FY2030 five-year budget cycle.
- **Training and Outreach**
  - Deliver on 2026 window-related training plan for FY2026 in the first quarter.
  - Assist **Tribal Library E-Rate Advocacy Program (T-LEAP)** applicants during the review process and help applicants understand and comply with rules for participation in E-Rate.

# Roadmap

Available for Public Use



## Milestone Legend

- At Risk
- On Track
- Completed

# Appendix A: E-Rate Program Metrics

## E-Rate Pre-Commitment (Data through December 31, 2025)

Fund Year		Q1	Q2	Q3	Q4	Total	
Requested	2025	Demand	37,663	930	146	42	38,781
		Requested Dollars	\$3,234,660,304	\$75,869,572	\$27,042,397	\$582,333	\$3,338,154,607
		Avg. Days Outstanding	280	246	143	47	264
Committed	2024	Demand	35,410	917	82	45	36,454
		Requested Dollars	\$3,243,374,334	\$98,301,180	\$1,211,127	\$750,227	\$3,343,636,867
		Avg. Days Outstanding	613	606	507	417	567
2025		Reviewed Apps.		27,538	7,326	1,841	36,705
		Reviewed Dollars		\$1,462,886,952	\$795,686,137	\$621,463,304	\$2,880,036,393
2024		Reviewed Apps.	315	29,365	5,029	1,365	36,074
		Reviewed Dollars	\$186,840,217	\$1,951,911,457	\$788,075,350	\$354,644,062	\$3,281,471,086

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

# Appendix A: Program Metrics (Continued)

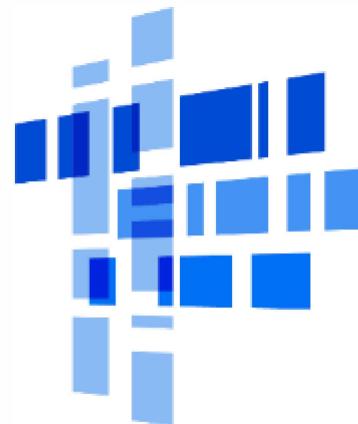
## E-Rate Post-Commitment (Data through December 31, 2025)

		Q1	Q2	Q3	Q4	Total	
Submitted	2025	Invoice Counts	70,554	67,167	76,005	65,561	279,287
		Invoice Dollars	\$608,200,926	\$561,737,764	\$836,797,957	\$633,285,189	\$2,640,021,836
Disbursed	2024	Invoice Counts	68,754	68,283	74,457	70,616	282,110
		Invoice Dollars	\$796,009,262	\$598,892,366	\$850,304,021	\$721,618,008	\$2,966,823,657
Submitted	2025	Invoice Counts	67,265	67,861	69,691	69,196	274,013
		Invoice Dollars	\$448,923,224	\$546,569,770	\$672,879,829	\$596,508,426	\$2,264,881,249
Disbursed	2024	Invoice Counts	70,456	66,554	71,663	73,328	282,001
		Invoice Dollars	\$679,810,871	\$554,635,770	\$710,247,822	\$670,511,967	\$2,615,206,430

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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