Schools & Libraries Committee

Briefing Book

Monday, January 27, 2025

11:00 a.m. – 11:45 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

Monday, January 27, 2025
11:00 – 11:45 a.m. Eastern Time
USAC Offices
700 12th Street NW, Suite 900
Washington, DC 20005

	OPEN SESSION Available for Public Use	*Estimated Duration in Minutes*
Chair	**a1.** Consent Items (each available for discussion upon request): **A.** Approval of Schools & Libraries Committee Meeting Minutes of October 28, 2024 **B.** Approval of moving all ***Executive Session*** items into ***Executive Session***	5
Chair	**a2.** Recommendation for Election of Committee Chair and Vice Chair	5
Craig	**a3.** Approval of Schools and Libraries Support Mechanism 2nd Quarter 2025 Programmatic Budget and Demand Projection for the January 31, 2025, FCC Filing	5
Craig	**i1.** E-Rate Business Update • 2024 Accomplishment • 2025 Plans • Cybersecurity Pilot Program Update	20

	INFORMATION ONLY Available for Public Use	*Estimated Duration in Minutes*
Craig	**i2.** E-Rate Business Update (*Continued*) • Q4 2024 Accomplishments • Q1 2025 Plans • Roadmap • Appendix A. Program Metrics • Appendix B. Glossary of Terms	–
Teleshia	**i3.** Information on Seven USAC Audit and Assurance Division Schools and Libraries Support Mechanism Beneficiary Audit Report	–

	EXECUTIVE SESSION **Confidential – *Executive Session Recommended***	*Estimated Duration in Minutes*
Craig	**i4.** E-Rate Business Update (*Continued, if needed*)	–
Craig	**a4.** Approval of Schools and Libraries Support Mechanism 2025 Annual Programmatic Budget	10

Next Scheduled USAC Schools & Libraries Committee Meeting

Monday, April 28, 2025 **USAC Offices, Washington, D.C.**

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 28, 2024 (*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*** 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***.

(2) **a4.** Approval of Schools and Libraries Support Mechanism 2025 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***.

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 28, 2024; 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 28, 2024

MINUTES[1]

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 28, 2024. Dr. Dan Domenech, Committee Chair, called the meeting to order at 1:55 p.m. Eastern Time, with a quorum of eight of ten Committee members present:

Chalk, Indra
Domenech, Dr. Dan – Chair
Gregory, Amber – Vice Chair
Sanquist, Christine
Schell, Julie Tritt
Sekar, Radha
Thompson, Mona
Wade, Dr. Joan – *by telephone*

Mr. Brent Fontana joined the call by telephone at 2:04 p.m. Eastern Time. He did not vote on item a1.

Members of the Committee not present:
Buzacott, Alan

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
Delmar, Teleshia – Vice President of Audit and Assurance
Freeman, Sarah – Member of the Board – *by telephone*
Gaither, Victor – Vice President of High Cost – *by telephone*
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
Skrivan, Michael – Member of the Board

[1] Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, or to correct grammatical or spelling errors.

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

Others present:

NAME	**COMPANY**
Brady, Jair	USAC
Braxton, Carolyn	USAC
Calhoun, Mitch	USAC
Claxton, Naomi	USAC
Crouse, Martin – *by telephone*	Inland Networks
Faunce, Donna – *by telephone*	USAC
Goode, Vernell	USAC
James, Christine	USAC
King, Ryan	USAC
Kriete, Debra – *by telephone*	South Dakota Department of Education and SECA
Lawmaster-Morris Rachel – *by telephone*	ESPY Services
Lenard, Dave – *by telephone*	CDW-G
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Rovetto, Ed	USAC
Sadirkhanova, Sabina – *by telephone*	USAC
Santana-Gonzalez, Jeanette	USAC
Schrader, Theresa - *by telephone*	Broadband Legal Strategies
Smith, Christopher	USAC
Staurulakis, Chresanthe	USAC
Wilkins, Jonathan	USAC

OPEN SESSION

All materials from ***Open Session*** can be found on the USAC website**.**

a1. Consent Items. Dr. Domenech presented this item for consideration.

A. Approval of Schools and Libraries Committee meeting minutes of July 29, 2024.

B. Approval of moving all ***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.** Consideration of 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***, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.

C. Consideration and Approval of One Routine Procurement.

(1) Consideration of 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***.

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 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**.

a2. Approval of Schools and Libraries Support Mechanism 1st Quarter 2025 Programmatic Budget and Demand Projection for the November 1, 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 1st Quarter 2025 programmatic budget and demand projection for the November 1, 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 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.

a3. Consideration of Funding Year 2025 Application Filing Window Dates. Mr. Davis presented this item for discussion.

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 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.

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

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

Ms. Schell requested that should the window close early and the staff had reviewed applications submitted that those applications be paused so that stakeholders are not receiving outreach requests while they are continuing to submit applications. She also commented that some stakeholders continue to receive system errors when logging into the system with multifactor authentication (MFA). Mr. Davis indicated he would get back to the Committee

with an update on the MFA issue and the ability to pause applications.

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

- Accomplishments
- Cybersecurity Pilot Program Update
- Q4 2024 Plans
- Roadmap
- Appendices: Program Metrics and 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. Dr. Domenech noted that the Schools and Libraries Audit Briefing Book would be made public and posted to the USAC website.

At 2:23 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**. Mr. Davis, Ms. Delmar, and Mr. Brady presented PowerPoint slides to the Committee covering the following items:

- E-Rate and Emergency Connectivity Fund Tribal Support
- E-Rate Improper Payment Results and Key Outcomes
- E-Rate Fraud Risk Assessment – Observations and Steps Taken
- Cybersecurity Pilot Program System Demonstration

a4. **Consideration of Contract Modification and to Exercise Option Term for E-Rate Business Process Outsourcing Services**. No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its existing contract with Maximus Federal Services, by increasing the base year not-to-exceed price for E-Rate Business Process Outsourcing services by $750,000.00 (plus applicable taxes), thereby increasing the base year total not-to-exceed amount from $15,474,483.30 (plus applicable taxes) to $16,224,483.30 (plus applicable taxes), and exercise the first one-year option terms of the E-Rate Business Process Outsourcing services contract with Maximus, for a not-to-exceed amount of $16,000,000.00 (plus applicable taxes) for a total overall

not-to-exceed amount of $32,224,483.30 (plus applicable taxes) subject to required Federal Communications Commission approval.

OPEN SESSION

At 2:58 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 i4. He also announced that this would be his last meeting as Chair and thanked the School & Libraries Committee members and USAC staff for all they have accomplished in supporting the funding for the beneficiaries.

On a motion duly made and seconded, the Committee adjourned at 3:00 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 28, 2025.

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.[1]

On January 30, 2024, the Board elected Dr. Dan Domenech as Chair and elected Amber Gregory as Vice Chair of the Schools & Libraries Committee.

At their January 27, 2025 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 28, 2025.

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

[1] 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).

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Universal Service Administrative Company
Schools & Libraries Committee Meeting

ACTION ITEM

Approval of Schools and Libraries Support Mechanism 2nd Quarter 2025 Programmatic Budget and Demand Projection for January 31, 2025, FCC Filing

Action Requested

The Schools & Libraries Committee (Committee) of the USAC Board of Directors (Board) is requested to approve a 2nd Quarter 2025 (Q2 2025) programmatic budget and demand projection for the Schools and Libraries Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's January 31, 2025, quarterly filing.

Discussion

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

Funding Requirement

USAC estimates the Q2 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

(in millions)	**Q1 2025**	**Increase/ (Decrease)**	**Q2 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	8.73	(2.49)	6.24	
Interest Income	(0.01)	0.01	0.00	
Bad Debt Expense	(3.43)	(5.41)	(8.84)	
Total Prior Period Adjustments	**$5.29**	**($7.89)**	**($2.60)**	
USAC Administrative Expenses	**$20.03**	**$3.78**	**$23.81**	See Table C
Total Funding Requirement	**$657.15**	**($4.11)**	**$653.04**	

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

(in millions)	**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 Q2 2025 programmatic budget:

Table C. Quarterly Programmatic Budget

(in millions)	**Q1 2025 Budget**	**Increase/ (Decrease)**	**Q2 2025 Budget**	**Notes**
Direct Program Costs				
Employee Expenses	$2.27	$0.16	$2.43	
Professional Services	3.05	2.96	6.01	
General & Administrative	0.01	0.00	0.01	See Note 3
Total Direct Program Costs	**$5.33**	**$3.12**	**$8.45**	
Direct Assigned Costs				
Employee Expenses	$0.86	$0.04	$0.90	
Professional Services	2.17	(0.77)	1.40	
General & Administrative	0.64	(0.19)	0.45	See Note 3
Total Direct Assigned Costs	**$3.67**	**($0.92)**	**$2.75**	
Total Direct Program & Direct Assigned Costs	**$9.00**	**$2.20**	**$11.20**	
Common Allocated Costs	**$11.03**	**$1.58**	**$12.61**	
Total Programmatic Budget	**$20.03**	**$3.78**	**$23.81**	

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

Recommendation

USAC management recommends that the Committee approve the Q2 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 2nd Quarter 2025 Schools and Libraries Support Mechanism direct program budget of $11.20 million and

RESOLVED FURTHER, that the USAC Schools & Libraries Committee directs USAC staff to submit a collection requirement of $11.20 million for Schools and Libraries Support Mechanism administrative costs in the required January 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 January 27, 2025, the 2nd Quarter 2025 Schools and Libraries Support Mechanism demand estimate of $653.04 million, hereby directs USAC staff to proceed with the required January 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.

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, 2024

($ in millions)	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	63	66	3	$9.20	$9.02	($0.18)
Professional Services (Note 4)				16.13	16.47	0.34
General & Administrative (Note 5)				0.01	0.00	(0.01)
Total Direct Program Costs				$25.34	$25.49	$0.15
Direct Assigned Costs						
Employee Expenses	18	22	4	$3.88	$4.12	$0.24
Professional Services (Note 4)				10.64	8.64	(2.00)
General & Administrative (Note 5)				2.85	3.17	0.32
Total Direct Assigned Costs				**$17.37**	**$15.93**	**($1.44)**
Total Direct Program & Direct Assigned Costs	**81**	**88**	**7**	**$42.71**	**$41.42**	**($1.29)**
Common Allocated Costs (Note 6)				**$43.29**	**$48.85**	**$5.56**
Total Programmatic Budget				**$86.00**	**$90.27**	**$4.27**

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.

Available for Public Use

Schools and Libraries Committee

E-Rate Business Update

Open Session

January 27, 2025

Universal Service Administrative Co.

Agenda

- 2024 Accomplishments
- 2025 Plans
- Cybersecurity Pilot Program Update

2024 Accomplishments

- **Program Integrity Assurance (PIA)**
  - Completed 96.1 percent of workable FY2024 applications by September 1 for $2.51 billion in obligations.
  - Reduced prior-year (FY2016 to FY2023) PIA application backlog by 85 percent since January (848 vs. 128 applications) and cut dollars under review for prior years from $386 million to $3.8 million.
  - Implemented a broader set of analytics to identify potentially non-compliant applications to protect the program against waste, fraud, 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.

2024 Accomplishments (Continued)

- **Invoicing**
  - Authorized invoices for $2.61 billion in 2024, compared with $2.46 billion in 2023 – a 6 percent year-over-year improvement.
  - Reduced average time to complete manually reviewed invoice lines by 4 percent using EPC capabilities.
  - Successfully processed 285,087 invoice lines in 2024 compared with 281,347 invoice lines in 2023 (a 1.3 percent increase).
- **Improper Payment Rate**
  - The E-Rate Improper Payment Rate fell to 1.27 percent in fiscal year (FY) 2024, compared with 1.59 percent in FY 2023 due to fewer findings for invoicing and Lowest Corresponding Price (LCP) confirmation findings.
- **Outreach and Training**
  - Held four in-person training events in Dallas, TX, Washington, D.C., Fayetteville, AR, and Palm Springs, CA (Tribal).
  - Hosted 19 webinars covering all phases of E-Rate application and disbursement processes with over 3,000 participants.

2025 Plans

- **Program Integrity Assurance (PIA)**
  - Successfully open and close the FY 2025 application filing window (Jan. 15 – Mar. 26, 2025).
  - Process 95 percent of workable E-Rate applications for FY2025 by September 1.
  - Process applications requesting eligible services and equipment associated with Wi-Fi services on school buses, and the Wi-Fi hotspot lending programs consistent with FCC rules.
- Support Tribal library E-Rate participation by providing one-on-one assistance to the **Tribal Library E-Rate Advocacy Program (T-LEAP)** applicants in FY 2025.
- **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.
- Maintain and improve operational cadences for all pre- and post-commitment transactions to improve operational velocity and efficiency.
- Successfully complete E-Rate system updates and decommission the remaining legacy system capabilities.

Cybersecurity Pilot Program Update

- The Pilot Program, established in June, makes 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.
  - USAC tasked with developing systems to process forms, obligate USF dollars, and authorize payments and conducting outreach to inform stakeholders of application timeline, filing window dates, and other Pilot Program requirements.
  - Initial Pilot Program systems deployment occurred on August 23, 2024.
- Pilot Program application window (FCC Form 484 Part 1) opened September 17 and closed November 1, 2024.
  - Received 2,734 applications representing $3.7 billion in requests to fund cybersecurity projects during the three-year program.

Cybersecurity Pilot Program Update (Continued)

- Selected Pilot Program participants will be required to provide more detailed cybersecurity information in Part 2 of the FCC Form 484.
- External Communications and Training are ongoing.
  - FCC Form 484 Part 1 User Guide was posted September 16.
  - Conducted eight webinars from July to November covering program overview, FCC Form 484 Part 1 overview and demonstration, and a service provider overview.
  - October newsletters provided links to application resources, application submission tips, 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.

Universal Service
Administrative Co.

Schools and Libraries Committee

E-Rate Business Update

Open Session - Information Only

January 27, 2025

Universal Service Administrative Co.

Agenda

- Q4 2024 Accomplishments
- Q1 2025 Plans
- Roadmap
- Appendix A: Program Metrics
- Appendix B: Glossary of Terms

Q4 2024 Accomplishments

- Authorized disbursements of $670.4 million for all funding years in Q4 2024 compared with $642.7 million in Q4 2023.
- Training and Outreach
  - USAC staff attended the Schools, Health & Libraries Broadband (SHLB) Coalition conference during Q4 2024 to provide school and library applicants with opportunities to ask questions about program requirements for funding year (FY) 2025.
  - USAC held in-person training sessions for Q4 2024 on October 7 at FCC headquarters in Washington, D.C. and on October 28 in Fayetteville, Arkansas covering current topics in the E-Rate lifecycle, including submitting FCC Form 471 applications for FY 2025, the PIA Review and Selective Review processes, responding to PIA inquiries, and next steps after receiving a positive funding decision from USAC.
  - USAC held five webinars in Q4 2024, including a Wi-Fi Hotspots webinar on October 15, and four fall training sessions covering Category Two budgets, the EPC administrative window, and the E-Rate post-commitment and invoicing processes.

(Data through December 31, 2024)

Q1 2025 Plans

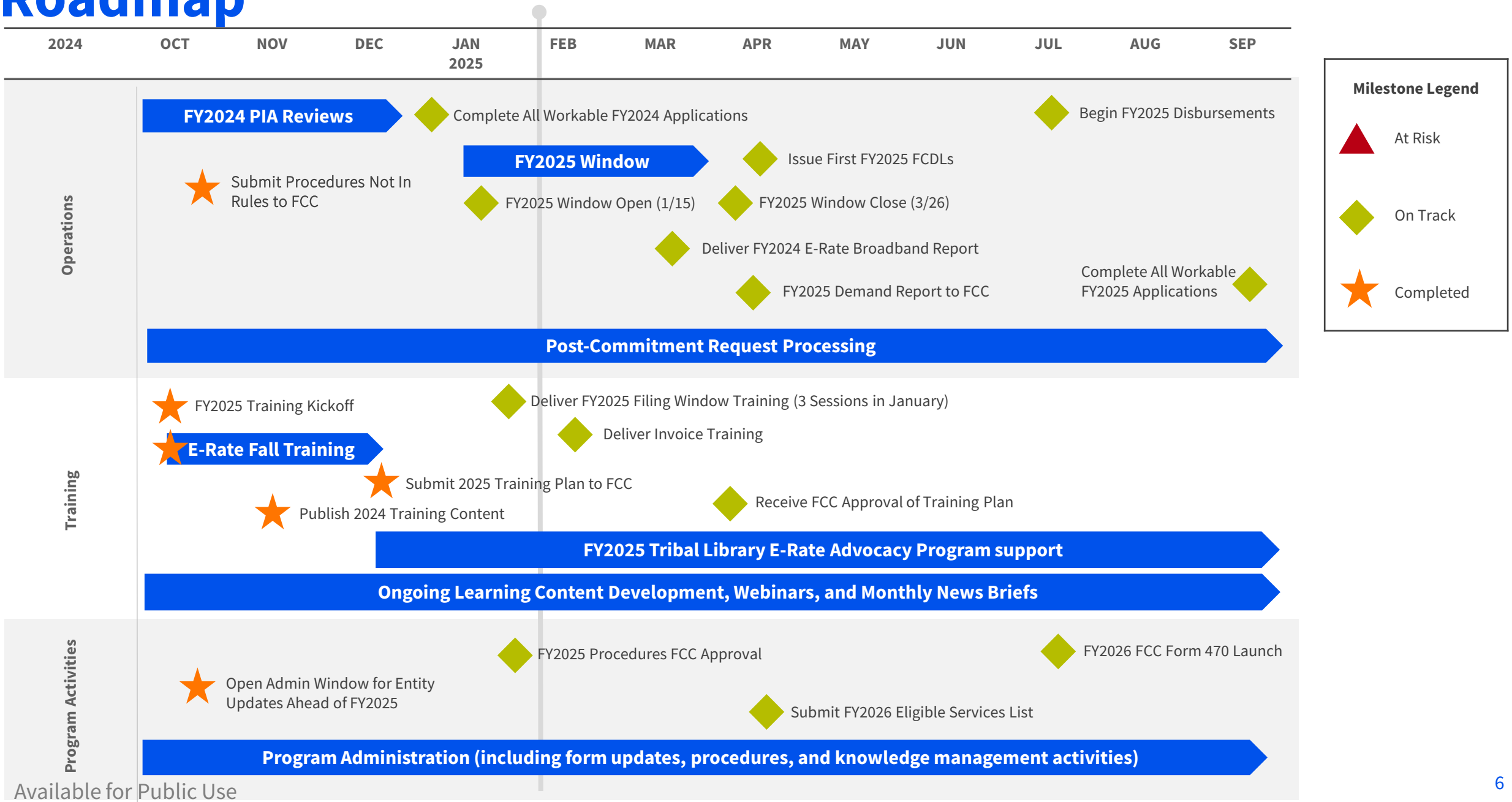
- FY 2025 Administration
  - Continue work to complete reviews of all workable E-Rate FCC Form 471 applications by December 31.
- Continue processing prior-year applications, appeals, commitment adjustments, and other program transactions.
- Improve EPC capabilities
  - Enhance user experience through improved navigation and search functionalities.
  - Create tools to increase efficiency for USAC review staff and increase decision making velocity.
  - Automate and consolidate transaction processes to reach faster funding decisions.
  - Improve productivity by ensuring data integrity for post-commitment reviews and reduce the number of corrective actions.

Q1 2025 Plans (Continued)

- 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.
- Q1 2025 Training
  - Deliver on the 2025 E-Rate training plan, including in-person events, webinars covering all E-Rate topics, and attendance at stakeholder conferences and meetings.

Available for Public Use

Roadmap



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Appendix A: E-Rate Program Metrics

E-Rate Pre-Commitment (Data through January 1, 2025)

Fund Year			Q1	Q2	Q3	Q4	Total
Requested	2024	Demand	35,382	692	11	3	36,088
		Requested Dollars	$3,242,546,522	$84,987,218	$226,451	$80,933	$3,327,841,124
		Avg. Days Outstanding	305	272	144	66	304
	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	1,281	35,512
		Reviewed Dollars		$1,867,530,592	$734,118,461	$310,474,096	$2,912,123,149
	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 January 1, 2025)

			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	65,126	77,459	73,240	284,758
		Invoice Dollars	$544,049,934	$552,034,116	$734,841,356	$640,765,795	$2,471,691,201
	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

Universal Service
Administrative Co.