

Universal Service Fund Council Meeting
Hill Farms State Office Building
Conference Room S147 on First Floor
4822 Madison Yards Way, Madison, WI 53705

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| Minutes for the Tuesday, June 18, 2019 Meeting |
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The following persons were in attendance:

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| USF Council members |
| Industry Representatives |
| Jean Pauk, TDS--Chairperson |
| Jim Jermain, AT&T--Vice Chairperson |
| Scott Bohler, Frontier Communications (phone) |
| Ted Hankins, CenturyLink |
| Mike Hill, Charter Communications (phone; in lieu of Adam Raschka, council member) |
| Jerry Schneider, Marquette Adams Telephone Cooperative |
| Consumer Representatives |
| Michele Ahlman, Clear Communications (phone) |
| Shari Brunes, Access to Independence |
| Vanessa Johnson, New Concept Self Development Center |
| David Mortimer, Hospital Sisters Health Systems (phone) |
| Brad Paul, WisCAP (Consumer Representative) |
| Commission Staff |
| Peter Jahn, Telecom Regulation |
| Billy Mauldin, TEPP Manager and TRS Director |
| Kristy Nieto, Administrator |
| Holly O'Higgins, USF Director |
| Jenna Schmidt, CFO |
| Christi Whiting, Assistant Legal Counsel |
| Community Members |
| Janice Mertes, Department of Public Instruction, Digital Learning Collaborative |

1. Introductions, Welcome and Announcements
2. ***Approval of Minutes of December 11, 2018 (Council vote needed)***

The minutes were emailed to members and posted on the Commission website. During the discussion no concerns or questions were raised by members. The members unanimously approved the minutes.

3. ***Election of Officers (Council vote needed)***

Ms. Johnson nominated Ms. Pauk to continue in her position as the Chairperson. The members unanimously approved this nomination, and Ms. Pauk will continue as the Chairperson.

Ms. Johnson nominated Mr. Jermain to continue in his role as the Vice Chairperson. The members unanimously approved this nomination, and Mr. Jermain will continue as the Chairperson.

4. Council membership
 - a. Congratulations to renewed members: Scott Bohler, Frontier Communications; Jim Jermain, AT&T Wisconsin; Pam Young-Holmes, Ultratec/Captel; and, David Mortimer, Hospital Sisters Health System. These terms run through December 31, 2021.
 - b. Welcome to new members: Shari Brunes, Access to Independence (through December 31, 2021); Michele Ahlman, Clear Sounds (through December 31, 2020); Ted Hankins, CenturyLink (through December 31, 2020).

Ms. O'Higgins congratulated the returning and new members. Members requested an official new roster, and Commission staff agreed to send one.

5. USF Budget
 - a. 2018 – status report
 - b. 2019 – proposed budget

The Council discussed a variety of items related to the current budget including:

- Telecommunications Equipment Purchase Program (TEPP). Commission staff said they don't anticipate that spending will be significantly under current budget levels.
- The administrative budget line variance due to audit costs from the last two USF audits. Costs for the 2018 audit were overlooked and not included in the budget in that year, while costs for the 2017 audit were not charged appropriately to the fund. The current budget line addresses both years of audit expenses.
- Unspent dollars in the fund. USF is obligated to generate the underspending to satisfy the statutory requirement to provide \$2 million to support the broadband expansion program. Historically, any underspending has not resulted in a decrease in the Commission's appropriation amount in the budget which remains at \$5.9 million.
- Nonprofit Access Grant funding is obligated in the previous fiscal year. For example, the 2019-2020 Nonprofit Access Grant is funded in the 2018-2019 fiscal year budget, allowing the Commission to make awards once approved by the Commission, avoiding any potential delay incurred by passage of the state's biennial budget. Any unspent dollars in the Nonprofit Grant program, as with other budget lines, will be used to cover the additional administrative costs and once those are satisfied, the underspending is moved to the fund balance.

In the proposed budget, the Council discussed each budget line.

- TEPP Outreach funding of \$350,000 is distributed equally to the eight Independent Living Centers. The TEPP Outreach funding was transferred from the Department of Health Services to the Commission.
- Lifeline program funding remained level despite declining subscription numbers. Staff described the need for outreach for this program, and suggested that outreach currently conducted by the Nonprofit Program grantees could increase the number of subscribers. Additionally, Ms. Johnson suggested that an avenue for outreach would be via a survey of families during the fall Back to School program. This suggestion was referred to the Low Income Subcommittee.
- Nonprofit Access Grant Program funding reflects the current award cycle, which is less than the \$500,000 available for the program. Commission staff discussed the need for outreach on this program, especially because the grants clearing house used in previous years to announce the availability of dollars is no longer in business. Ms. Johnson suggested outreach through United Way.
- Telemedicine Grant Program funding obligates the first half of the every-two-years \$1 million grant cycle.

- The 2 Line Voice Carry-Over (2LVCO) program participation numbers are also dropping, which may be related to trends that show customers moving away from landlines. Commission staff discussed the need for additional outreach in this program.

The members unanimously approved the budget.

6. 1-AC-251 status

This docket proposes updated rules for Wis. Admin. Code § PSC 160. The public hearing on the rules was held on June 5, 2019 and one comment was filed, by AT&T, supporting the rules. Commission staff will draft rules and discuss with the USF Rules Subcommittee as appropriate.

7. TEPP Program, Billy Mauldin

- a. PSC administration of TEPP outreach grants to the ILCs
- b. Status on changes to the equipment list
- c. TEPP statistics

Mr. Mauldin described the changes in the administration of the TEPP Outreach grants to the ILCs. For two years, this program was administered via a Memoranda of Understanding between the Commission and the Wisconsin Department of Health Services (DHS). In 2019, this program was brought back to the Commission to be administered as part of the larger TEPP administration.

The equipment list for TEPP was updated in 2005 and then again in 2014, and with the fast rate of change in technology, was due for another review and update. Mr. Mauldin is working with Council Member Pam Holmes and assistive technology specialist Laura Plummer from DHS on initial revisions of the equipment list, and will bring the full list to the TEPP Subcommittee to gather feedback and input. He and Ms. Holmes will report back to the Council in December on the suggestions from the subcommittee. The full Council will vote to accept the revised and updated version of the equipment list.

Ms. Pauk asked if the amount assigned to each voucher category was included in the larger equipment review. Mr. Mauldin said he has conducted research and review of historical TEPP data, and consulted with assistive technology experts, and determined that the current voucher levels are appropriate, and allow for funding of the most comment equipment purchased with vouchers in each category. The voucher amounts will be reviewed periodically to insure that the equipment needs of customers using TEPP remain appropriate to equipment used by people in each disability category.

Mr. Mauldin shared statistics on TEPP performance and participation. Mr. Jermain asked what percentage of issued vouchers were used. Ms. Schmidt noted that the Completed Voucher Report shows “used” versus “potential” vouchers which provides a rough idea; Mr. Mauldin noted that he would look into program data to develop an actual percentage.

Overall, Mr. Mauldin note that the TEPP is overall consistent across the program and in each category.

8. Status of Lifeline Program and Low-Income Subcommittee considerations for 2019

- a. FCC/USAC National Verifier status

Ms. O’Higgins described Lifeline’s upcoming transition to the National Verifier (NV) for customer eligibility determinations. The NV is a nationally administered database that will connect with the Wisconsin eligibility tool, CALER. The soft launch for the NV is mid-December 2019 with the full launch set for March 15, 2020. To make this happen, Ms. O’Higgins is in conversations with DHS, the Wisconsin

Department of Revenue (DOR), and the Universal Service Administrative Corporation (USAC) to coordinate the transition.

The goal is to have the agreements in place for the soft launch. The primary amount of work in Wisconsin will be done at DHS because program participation data used in CALER is owned by DHS.

Transition to the NV will add electronic confirmation of participation in federal programs such as Section 8 Housing and Veterans Survivor Pensions, and will broaden the number of people who are able to help a customer determine if they are eligible for Lifeline. Currently, only carriers are able to check eligibility through the CALER system. With NV, a wide range of stakeholders will be able to check a customer's eligibility with his or her permission, including the individual, carriers, benefit specialists, advocates, and family members. Enrollment in Lifeline continues to be the responsibility of carriers.

Mr. Jermain asked for clarification on the process. Ms. O'Higgins explained that NV is the front end of the online eligibility tool, but on the back end, the NV will check Wisconsin subscriber information against the CALER database in addition to federal databases.

Currently, carriers pay a fee to access the CALER system and these funds are used by DHS to fund the ongoing maintenance and upkeep of CALER. After the transition to NV these expenses will be paid by the USF to fund ongoing maintenance and upkeep of the system connected to the National Verifier.

Eligibility criteria for Lifeline in Wisconsin is aligned with the federal rules. This was accomplished in the rules change to § PSC 160 in docket 1-AC-236 (2016).

9. Status of Nonprofit Access Grants

- a. 2017 – final close-outs of grants
- b. 2018 – close-outs and final report submission
- c. 2019 – new grantees and trends in the program

Ms. O'Higgins updated the Council on the status of the Nonprofit Access grants and some changes and adjustments to the program. These include:

- Contacting 2017 grantees with outstanding grant balances to encourage them to submit funding requests for these dollars, or if they had no expenses to apply to the balance, to agree that the balance will return to the USF balance.
- Contacting 2018 grantees with the same approach as the 2017 grantees, including following up on submission of final reports.
- These two actions allow Commission staff to close outstanding purchase orders.
- All closing letters and final reports from grantees will be posted on the Commission's Electronic Records Filing (ERF) system. The goal is to be transparent in terms of the administration of these grant and the work done by the grantees.
- Ms. O'Higgins will use the final reports to create overall grant summaries as a means to understanding the work completed to-date while guiding efforts to improve the program for the future.

Site visits were conducted with four grantees located in Milwaukee—two grantees working with people with disabilities, and two working with low-income populations. The visits were very informative and inspiring, and provided an opportunity to check in on progress of the grantees and identify areas where an amendment would be appropriate.

For the grantees receiving awards as part of the 2019-2020 cycle, Ms. O’Higgins referenced handouts which included the Memo to the Commission describing the grantees and proposed programs. Mr. Jermain, Ms. O’Higgins and Commission staff Peter Jahn participated on the review panel. Of the applicants, all but two were recommended for funding. For the 2020-2021 round of grants, the review and evaluation questions will be revised to be sure that application evaluations are objective, and for applicants that received awards in a previous year, the evaluation includes a review of their past performance.

One concern of the review panel was the reduced number of grant applications. Commission staff will work on methods for making sure the word gets out about the grant opportunity, including incorporating the approach with United Way suggested by Ms. Johnson.

10. Future meetings

a. Scheduling subcommittee meetings

The Council discussed the current subcommittee structure, and said that members can serve on a subcommittee simply by volunteering. Ms. Ahlman indicated her interest in joining the TEPP subcommittee.

The Council currently has three subcommittees: TEPP, Low Income, and Rules. Ms. Pauk clarified that the subcommittees were established to address issues specific to these areas of interest, and to provide guidance and/or recommendations to the Council. Membership is between three-and-five members on each subcommittee.

Every Council member should be involved in one of the subcommittees and each subcommittee should have a chair from the Council, who reports back to the full body. Frequency of subcommittee meetings should depend on the relevant work needed. Ms. O’Higgins will send a subcommittee membership list to the Council members.

11. Other Business

- a. Solix contract, last one-year renewal
- b. Proposed federal USF cap

The Federal Communications Commission (FCC) released a Notice of Proposed Rule Making specific to a proposal cap on the federal USF. Ms. O’Higgins agreed with Ms. Pauk that the Council does not need to submit comments, but said that the Council could discuss and provide suggestions to the Commission if members are interested in doing so.

- c. Annual certification of ETCs and FCC 481 filings, Pete Jahn

Mr. Jahn spoke about the Commission’s annual obligation to certify to USAC and the FCC that Eligible Telecommunications Carriers (ETCs) are operating appropriately and fulfilling their ETC obligations. The Commission is asking ETCs to sign an affidavit to that effect for this year prior to making the certification. Mr. Jermain and Ms. Pauk noted that the sooner the carriers understand what is required of them, the more responsive carriers can be to the Commission.

- d. Audit of USF by the Legislative Audit Bureau, Jenna Schmidt

Ms. Schmidt said that the USF was in the midst of a financial statement audit for state fiscal years 2017 (July 1, 2016 to June 30, 2017) and 2018 (July 1, 2017 to June 30, 2018) by the Legislative Audit Bureau. In response to a question from Mr. Jermain about the scope of the audit, Ms. Schmidt said the audit covers all financial activity for the fund, not just at the Commission but at other agencies using state USF monies such as the Department of Public Instruction (DPI), the University of Wisconsin Telecommunications Office and the Department of Administration (DOA). The auditors will also look at internal processes and controls.

Previous audit reports made two recommendations that have been addressed. The report from the current audit is expected in July, and the Council requested that the report is shared with the Council.

- e. Working with our USF partners in the state: UW, DOA and DPI.

Ms. O'Higgins shared with the Council that during the process of developing the report to the legislature, she had the opportunity to meet with other agencies using state USF monies. In addition to preparing for the upcoming audit and report to the legislature, Commission staff sought opportunities for collaboration with partners, and to increase general awareness. She asked if the Council would be interested in presentations by other USF programs to understand the scope of how USF dollars are used across the state.

Ms. Pauk suggested the Council review the statute and the Council's authority to determine if this is appropriate. She recommended this as a discussion point for the December 2019 meeting.

Janie Mertes from the Digital Learning Collaborative at DPI attended the Council meeting. In her comments to the Council, Ms. Mertes noted that all USF programs have a similar focus on a wide range of issues from equipment to access, and suggested that hearing from other USF partners opens up an opportunity to talk about efficiencies and collaboration.

12. Adjourn

The meeting was adjourned by unanimous agreement.