

KAY IVEY
GOVERNOR



STATE OF ALABAMA

KENNETH W. BOSWELL
DIRECTOR

April 20, 2021

Mr. Kelly Butler
Director of Finance
Department of Finance
State Capitol
Montgomery, Alabama 36130

Dear Mr. Butler:

RE: Report on ADECA MOU for CARES Act Coronavirus Relief Funds
ABC for Students Program April Update

The ADECA accounting system has expended \$26,050,257 for the ABC for Students program through March 31, 2021. This includes \$3,408,000 expended for the administration of the program to date through December 30, 2020.

Program Status: Maintenance

The ABC program continues to provide free internet service to more than 200,000 low-income Alabama schoolchildren. While the program is no longer accepting new customers, it continues to cover monthly service fees for households that enrolled before December 30, 2020.

Customer Service

The program continues to operate a call center to field customer questions and concerns. From its inception, the ABC customer service center has handled nearly 90,000 calls (inbound and outbound). Call volume has slowed considerably since December 30, as the program is no longer accepting new customers. To reduce program costs, the call center temporarily reduced its staff due to the lower call volume during this maintenance period. This streamlined team continues to operate the center from 9:00 a.m. to 5:00 p.m. CT five days a week.

Looking ahead to the end of the program on June 30, 2021, the call center is pivoting to help ABC customers transition to the new FCC Emergency Broadband Benefit (EBB) program. In anticipation of this transition, the center is adding Ambassadors in early April to begin training. While substantially larger than the current team, the call center will remain smaller than it was at the program's peak.

In March, the Center answered approximately 30 calls each day. These include customer service challenges and complaints about lost, missing, or defective devices along with calls from previously eligible households that are now seeking to redeem their vouchers. While the program is no longer accepting new customers, ABC for Students has gathered information about alternative low-cost internet service options on its website ([here](#)) and directs callers seeking to use vouchers for service to that site. As call volume has slowed, the remaining Ambassadors have also begun to make outbound calls for two key purposes.

1. Ambassadors have contacted customers who had previously identified issues with their AT&T devices to confirm that these issues have been resolved. Many of these customers report that they have not yet been contacted by AT&T. We have escalated these concerns to ensure that these households can get connected.
2. Ambassadors have also initiated a large-scale outbound calling effort (approximately 3,500 outbound calls) to support Phase IV of the ABC program. Under Phase IV, ABC provided hot spot devices on demand to 12 school districts in the Black Belt. Those districts, in turn, executed a Memorandum of Agreement with the state to distribute devices to eligible students. In March and April, ABC Ambassadors contacted households in these districts to remind them of the availability of these devices through their districts. This outbound calling effort complemented the ABC “Spring Forward Road Trip,” described below.

Coordinating with the Schools through a “Spring Forward Road Trip”

This fall, ABC for Students executed Memoranda of Agreement with 52 school districts (primarily in the Black Belt) to offer more targeted assistance. In addition, the program executed a separate MOA and sent more than 40,000 hotspots directly to 11 districts in the Black Belt as part of a pilot program (Phase 4).¹ Pursuant to this MOA, participating districts were obligated to distribute devices to eligible students and to share data with the ABC program about these efforts. In February, the ABC team contacted the Phase 4 districts to document their efforts.

To ensure Phase 4 devices were being distributed by the schools, the ABC team aided in facilitating distribution and provided critical support to short-handed schools. ABC sent a representative to the Phase 4 school districts to further promote the program, establish relationships with Black Belt school district superintendents, provide marketing materials to help promote hotspot distribution and redemption, provide the districts with an ABC commercial to distribute to families, and offer an in-person response to needs or questions related to the ABC for Students Program. The ABC representative was universally well-received, and these visits reaffirmed the importance of the ABC for Students program. This direct relationship has been imperative to efficient communication and accountability. A brief summary of these visits (along with photos with key district staff) follows:

Troy City Schools

The superintendent was unable to meet, however, ABC staff shared collateral with the district secretary. The technology director subsequently contacted ABC and expressed enthusiasm for renewing efforts with our added resources.

¹ ABC team staff also hand-delivered 200 devices to a 12th district in the Black Belt (Dallas County).

Pike County Schools

ABC staff met with the county Technology Director, Stephanie Snyder. Ms. Snyder declined any collateral materials and maintained that most of the students in the county that that wanted a hotspot had already received one. She will contact ABC if they run into challenges while distributing the remaining devices.



Etowah County Schools

An ABC representative met with Superintendent Alan Cosby and Technology Director Stacie Gray. The schools team committed to distributing additional devices. They also returned 100 devices that were redistributed by ABC to Dallas County.



Dallas County Schools

ABC staff met with Superintendent Hattie Shelton who was very grateful for the hand-delivered devices (from Etowah County). With ABC support, Ms. Shelton will continue to execute on Phase 4 hotspot distribution.



Marengo County Schools

An ABC representative met with the Technology Director Kate Huggins. Ms. Huggins was extremely grateful for the program and committed to continue supporting hotspot distribution within the county.



Perry County Schools

An ABC representative met with Superintendent Smiley who reports that she has been promoting the hotspot redemption program on her twice-weekly radio show. Superintendent Smiley was very grateful to the state for its support.



Hale County Schools

While Hale County was not responsive to advance outreach, an ABC representative nonetheless visited the district offices to address any questions. The Superintendent was unavailable, but the district secretary was receptive and said that they would post the ABC video to the district’s social media channels.



Pickens County Schools

An ABC representative met with Superintendent Ball to discuss the program. Superintendent Ball committed to continued device distribution throughout the spring.

Invoicing

Providers continue to submit simplified monthly invoices. As of April 14, 26 providers (~ 60%) have submitted March invoices and 12 providers (more than a quarter) have already submitted April invoices. Absent significant errors, invoices are processed and sent to ADECA within 2 to 5 business days.

Program Spending

Spending to-date for the program has been lower than projected with cost under-runs for the program based on the original budget of \$100M. Total program expenditures through December 30, 2020 were \$23,208,364. The approximate estimated cost for January through June for services for claimed vouchers is \$25.8M. Total obligated funds (including first and second semester and CTC administration) is \$38,444,100 and total projected spend for the program through June 30 (including first and second semester, CTC administration, and AT&T and Verizon Wireless) is \$49,931,693.

ABC staff negotiated improved terms with Verizon Wireless for continued service beginning in April of 2021 on the 20,624 VZW devices that have been distributed through the program. Pursuant to this new agreement, VZW will provide a \$20 monthly discount on service for these devices through the conclusion of the Program. Because this agreement avoids entering an alternative contract, it also *eliminates* an anticipated \$50/ device one-time “transition” fee.

FCC Emergency Broadband Benefit Program

On February 25, 2021, the FCC adopted the rules and policies creating and governing the EBB Program. These rules were [published in the Federal Register](#) on April 13, 2021. As previously noted, ABC for Students filed comments in the FCC proceeding. Pursuant to the EBB, eligible households can receive a discount of up to \$50 per month toward broadband service. The rules outline a suite of eligibility criteria, including participation in the National School Lunch Program. Because all ABC customers participate in the NSLP, this means that all participating ABC households are likewise eligible for the EBB. Significantly, because the EBB discount extends until the Fund is expended or six months after the end of the pandemic emergency, it will provide coverage beyond the termination of ABC for Students on June 30, 2021. ABC Program staff are currently evaluating the EBB to identify opportunities to transition ABC customers. This includes participation in several FCC webinars about the EBB. In March, ABC met with the FCC to explore ways that we can leverage the EBB and support this transition. Among other things, we are working with the FCC to allow ABC to serve as an official “verifier” to confirm EBB eligibility. ABC has drafted a letter documenting eligibility for those who were eligible for the ABC program which will be shared with the FCC to determine if it will satisfy the FCC verification requirement and enable ABC participants to enroll in the EBB without requiring their service providers to contact the schools directly. We are hopeful that this streamlined process will benefit both low-income households and participating ISPs.

ABC has also offered to provide support to the 42 service providers that are participating in the ABC program. We have reached out by email and phone to participating ISPs to answer questions about the EBB. We are also collecting information about participation in the EBB by participating ABC program

providers. To date, the majority of the ABC providers report that they plan to participate in the EBB. These ISPs will be able to continue to provide critical broadband services to low-income Alabamians through the summer.

The ABC communications team is developing materials for ABC customers and ISPs to support the transition to the EBB for those customers who live in an area where a participating EBB/ABC provider is offering services. This includes scripts for call center Ambassadors to:

1. Communicate with low-income Alabamians who did not redeem their vouchers before December 30, 2020, so were unable to participate in the ABC program despite being eligible
2. Communicate with ABC customers whose ISPs are planning to participate in the EBB to support their transition to the new program for continued service
3. Communicate with ABC customers whose ISPs are not planning to participate in the EBB to identify other low-cost options to continue service beyond June 30, 2021.

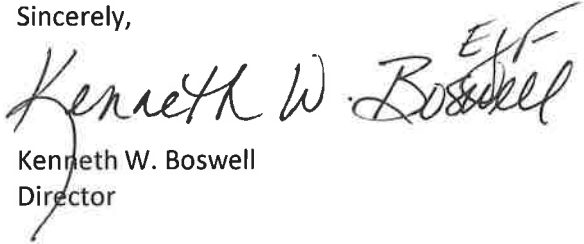
Next Steps

ABC for Students providers will continue to provide uninterrupted service to more than 200,000 low-income Alabama schoolchildren through June 30, 2021. The ABC Call Center will continue to address customer service issues and identify alternative service options for non-participating households. As noted above, the program team is also developing communications materials to prepare ABC customers for the conclusion of the program on June 30, 2021.

The program is developing a detailed white paper documenting the program's success and identifying lessons for future efforts.

Please let us know if there are questions or further information is necessary.

Sincerely,



Kenneth W. Boswell
Director

KWB/tjr