

OFFICE OF THE GOVERNOR

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GOVERNOR



**STATE OF ALABAMA**

ALABAMA DEPARTMENT OF ECONOMIC  
AND COMMUNITY AFFAIRS

**KENNETH W. BOSWELL**  
DIRECTOR

March 15, 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

### **February Update**

The ADECA accounting system has expended \$26,050,257 for the ABC for Students program through February 28, 2021. This includes \$3,408,000 expended for the administration of the program for the first semester.

### **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 more than 86,500 calls (inbound and outbound). Call volume has slowed considerably since December 30, as the program is no longer accepting new customers. Accordingly, a smaller team of customer service Ambassadors responds to calls from

9:00 a.m. to 5:00 p.m. CT five days a week. In February, the call center answered approximately 75 calls each day. These include enrollees calling with 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 low-cost internet service options and directs callers to search for alternatives on its website.

The call center has also continued to respond to calls from ABC customers asserting that they never received a requested AT&T hotspot device. Through mid-February, the ABC team verified

those claims and directed AT&T to send replacement devices to these households. As of February 12, 2021, the call center stopped accepting lost hotspot claims. (Because the ABC program has not accepted new customers since December 30, 2020, this means that customers had a minimum of 6 weeks to report a lost device.) The call center continues to address and escalate other customer service complaints.

### **Coordinating with the Schools**

In fall 2020, ABC for Students executed memoranda of agreement (MOA) 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).

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 reduce program costs, we plan to suspend service to any devices that have not yet been distributed. Doing so will provide savings of \$20 per suspended device (or \$60 per device for suspended service from April through June). To that end, AT&T is preparing a report of data usage on all Phase 4 devices. To the extent that this analysis reveals inactivity across an entire district, we will coordinate with school staff and AT&T to return the devices.

### **Invoicing**

As noted last month, the invoicing process has been simplified and improved in recent months. As a result, 31 providers (> 80%) have submitted February invoices and 10 providers (roughly one-fourth) have already submitted March invoices. Absent significant errors, invoices are processed and sent to ADECA within 2 to 5 business days.

### **Program Spending**

Spending to-date for the ABC 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 2021 for services for claimed vouchers is \$25M. As noted above, we continue to identify new opportunities to reduce costs. Later this month, the program will suspend all unused Phase 4 devices. In February, the program suspended service for any devices that were distributed to households through Phase 3 but had not yet been activated.

ABC program staff also negotiated improved terms with Verizon Wireless (VZW) for continued service on the 20,624 VZW devices that have been distributed through the program. VZW has verbally agreed to provide a \$20 monthly discount on service for these devices through the conclusion of the program.

### **FCC Emergency Broadband Benefit Program**

On February 25, 2021, the FCC adopted the rules and policies creating and governing the new Emergency Broadband Benefit (EBB) Program. As previously noted, ADECA 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. ABC program staff are currently evaluating the EBB rules to identify opportunities to transition ABC customers. The program team has sent provider

eligibility information to ABC-participating service providers so they can determine whether they would like to become an EBB provider and allow ABC customers to take advantage of the program. If the service providers become EBB providers, they could extend critical broadband services to ABC customers and other eligible low-income Alabamians at no- or low- cost to the customers through the summer. The ABC communications team is developing materials for ABC customers and service providers to this effect.

### **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 help identify alternative service options for non-participating households.

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