

OFFICE OF THE GOVERNOR

KAY IVEY
GOVERNOR



STATE OF ALABAMA

ALABAMA DEPARTMENT OF ECONOMIC
AND COMMUNITY AFFAIRS

KENNETH W. BOSWELL
DIRECTOR

February 19, 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

The ADECA accounting system has expended \$23,244,672 for the ABC for Students program through January 31, 2021. This includes \$3,408,000 expended for the administration of the program.

Please see below the detail of the expenditures and program information for the ABC for Students program as of February 15, 2021:

Invoice #	Description	Amount
007738-1	July 2020	64,515.00
007815-2	August 2020	360,478.60
007984-1	September 2020	552,391.46
008035-1	October 2020	564,667.83
09000-90	November 2020	544,073.00
09001-01	December 2020	760,329.27
007790-2	Mail - Primary/Secondary	189,393.68
09000-54	Mail – September	208,843.92
09000-89a	Mail – November	163,307.24
Total Invoiced		3,408,000.00

Program Status: Maintenance

The ABC program was launched in August 2020. From there, it had an initial “develop” phase, an ambitious “growth” period, and is now firmly in a final “maintenance” period. The program was originally funded by federal law through December 30, 2020; however, funding has been

extended through June 30, 2021 pursuant to the Consolidated Appropriations Act of 2021. During this maintenance period, existing ABC customers will enjoy uninterrupted service throughout the remainder of the 2020-2021 school year. Under current funding, the program cannot be expanded to allow for service to additional households.

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 85,000 calls (inbound and outbound). Call volume has slowed considerably since December 30, as the program is no longer accepting new customers. Nonetheless, a reduced customer service team of 7 Ambassadors continues to respond to operate the Center from 9:00 a.m. to 5:00 p.m. CT five days a week (down from a high of 34 Ambassadors at the program's peak). The program no longer operates a satellite call center in California. In January, the Center answered approximately 200 calls each day. These include customer service challenges and complaints about lost or missing devices and 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. In January, the program received 79 voucher slips via mail from households that returned the voucher tear-off after the end of the first semester/original program end. ABC Ambassadors have contacted each of these households to ensure they are aware that they missed the window for redeeming their voucher, offer information about alternative (out-of-pocket) service options, and directs them to the low-cost service options on the ABC for Students website.

Coordinating with the Schools

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).

While the program is no longer able to send additional devices to schools at this time, in January, it produced data for several districts (pursuant to a third MOA with the state) to enable the districts to better identify and assist unserved students.

Customer Feedback

ABC Ambassadors assessed program performance by implementing two surveys. The first was designed to determine satisfaction and program success from participants (survey available online [here](#)). The second was developed for eligible households that did *not* redeem their vouchers (survey available online [here](#)). The program collected approximately 2,500 complete surveys (divided fairly evenly between participants and non-participants). Program staff are currently reviewing survey responses to identify areas for improvement in future efforts both within Alabama and as a model for other states.

Invoicing

The invoicing process has been simplified and improved since the program was extended on December 30, 2020:

- Program staff have developed a straightforward template to streamline the invoicing process for providers. This updated template has been reformatted to accommodate printing.
- Errors are reduced because invoices during this "maintenance period" are limited to monthly service fees (rather than installation and equipment).
- All 42 participating ISPs have been given a report detailing vouchers redeemed to date. This enables providers to verify their data before submitting.

- The invoicing verification process now includes automated checks to identify potential duplicate billings.
- Improved tracking protocols have led to faster turn-around time and more detailed record keeping.

Thanks to these improvements, 33 providers (> 80%) have submitted January invoices and 13 providers (roughly one-third) have already submitted February invoices. Absent significant errors, invoices are processed and sent to ADECA within 2 to 4 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 \$27M. Program staff are working to identify opportunities to recoup funds for unused devices. In particular, as of February 17, we suspended service for any devices that were sent to schools through Phase 4 but have not yet been distributed. Should those devices be distributed later in the semester, customers will be able to reactivate (and the program will be billed for service). This will realize substantial savings by avoiding monthly service fees in the interim.

Next Steps

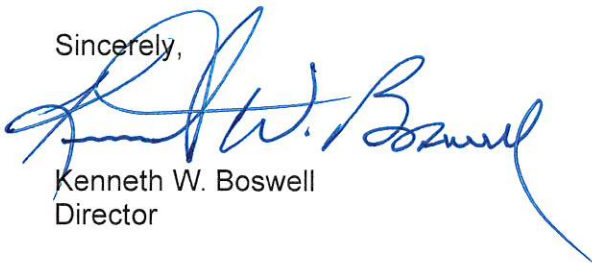
ABC for Students providers will continue to provide uninterrupted service to more than 200,000 low-income Alabama schoolchildren through June 30, 2021. The ABC Call Center will continue to address customer service issues and identify alternative service options for non-participating households.

The program team is evaluating cost-cutting options, including the possibility of working with program providers to utilize the new FCC Emergency Broadband Benefit Program (to be administered through USAC), which is due to be put into operation in March of this year. Consistent with these efforts, Joanne Hovis testified on behalf of ADECA before the Alabama legislature's Rural Broadband Oversight Committee on January 28, 2021. The state has also filed comments in an FCC proceeding regarding Emergency Broadband Connectivity Fund Assistance (see attached).

The program is also 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

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STATE OF ALABAMA

ALABAMA DEPARTMENT OF ECONOMIC
AND COMMUNITY AFFAIRS

KENNETH W. BOSWELL
DIRECTOR

January 25, 2021

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
45 L Street NE
Washington, DC 20554

Dear Secretary Dortch:

Subject: Comments to the FCC's Wireline Competition Bureau on the provision of assistance from the Emergency Broadband Connectivity Fund and through the Emergency Benefit Program, pursuant to the Consolidated Appropriations Act (2021)

As the Commission establishes rules for the Emergency Broadband Benefit Program, I am writing to share the State of Alabama's experience and insights regarding the creation and administration of a highly successful program to subsidize internet access for low-income members of our community during the Covid-19 pandemic.

In addition, based on Alabama's example, I urge the Commission to establish rules that minimize the burdens on the families who should benefit from the subsidy, as well as on internet service providers and schools.

The Alabama Broadband Connectivity for Students subsidy program has successfully connected 207,000 low-income students during the Covid-19 pandemic. The "ABC for Students" program is a public-private partnership we launched in a matter of weeks last August as it became clear that Alabama schools would need to shift to distance learning for at least some of this school year. We used State data on participation in the National School Lunch Program to identify families that would be eligible for the free broadband service—then stood up the new program on an emergency basis while ensuring the privacy of the eligible families.

In a matter of weeks, the agency I direct, the Alabama Department of Economic and Community Affairs (ADECA), negotiated contracts with 42 ISPs that committed to serving eligible families in rural and urban communities. We then mailed personalized voucher codes to every eligible family in Alabama—empowering residents to sign up for service with just one phone call, while also seeking to minimize administrative burdens on local schools and governments. The ISPs—including a wide range of small Alabama companies and large national

providers—are reimbursed by the State for providing equipment, installation, and ongoing service.

To date, 207,000 school children across the state have signed up for free service using ABC for Students vouchers—a participation level of almost 60 percent of eligible households. Our program has a particularly strong track record of connecting low-income children in Alabama’s Black Belt through outreach and engagement programs designed to provide options to all Alabamians.

We currently are analyzing extensive data we have collected about participation in the program, and look forward to sharing our analysis with the Commission in the future.

We urge the Commission to write rules that will enable Alabama and other states to leverage their successful subsidy programs—and will minimize burdens on low-income families, ISPs, and schools

As the Commission establishes rules for the Emergency Broadband Benefit Program, we urge you to consider two critical guidelines that would leverage and build on our demonstrated success:

Allow Alabama to continue using its eligibility determination

Alabama has already qualified the students participating in its ABC for Students broadband subsidy program, based on the State’s records of the students’ participation in the National School Lunch Program. We believe that determination should be sufficient for the FCC to validate those families’ eligibility for the Emergency Broadband Benefit Program.

Stated otherwise, because Alabama has already taken on the enormous burden of identifying and aggregating the population of students who are eligible for subsidy based on income, we believe there should be no further burden imposed on the families, the participating ISPs, or the local schools to participate in the federal subsidy program. We designed our program deliberately to minimize burdens on all three of those parties—and we ask the Commission to consider our verification sufficient.

Minimize burdens on all parties by reimbursing Alabama for participants in our existing broadband subsidy program

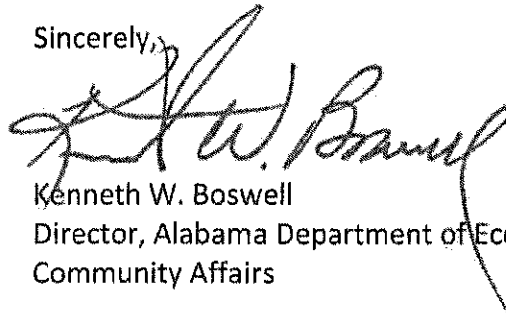
To minimize burdens on all parties and maximize the benefits of the Emergency Broadband Benefits Program, Alabama’s efforts should be considered a proxy for the Commission’s program. We ask the Commission to allow us to continue our ABC for Students subsidy program as structured, and to reimburse Alabama for each eligible participant with Emergency Broadband Benefits funds.

In other words, the federal funds could be used to maximum benefit if, rather than requiring the transition of our ABC for Students participants to the new program, the Commission would instead recognize and reimburse our program as one mechanism for achieving the Emergency Broadband Benefit Program’s goals. This would entail acceptance of the highly successful

elements of our program, including our contacts with dozens of ISPs, to allow Alabama to continue our existing program with FCC support.

Enacting rules that accommodate ABC for Students would provide for a seamless experience for our low-income students, as well as for the many ISPs that are part of our program and who have all proven themselves over multiple months of service.

Sincerely,

A handwritten signature in black ink, appearing to read "K. W. Boswell". The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

Kenneth W. Boswell
Director, Alabama Department of Economic and
Community Affairs