

OFFICE OF THE GOVERNOR

KAY IVEY
GOVERNOR



STATE OF ALABAMA

ALABAMA DEPARTMENT OF ECONOMIC
AND COMMUNITY AFFAIRS

KENNETH W. BOSWELL
DIRECTOR

October 15, 2020

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 Students Program

Please see below the detail of the expenditures and program information for the ABC Students Program as of October 15, 2020.

| Invoice # | Item | Previously Reported (through Sept. 14) | Sept. 15-Oct. 14 |
|-----------------------------|-------------------------|--|------------------|
| 007790-2 | Secondary Track Mailing | \$17,660.14 | |
| 007990-2 | Primary Track Mailing | \$171,733.54 | |
| 007738-1 | Consulting Services | \$64,515.00 | |
| 090000-54 | Supplementary Mailings | | \$208,843.92 |
| Estimated August Invoice | Consulting Services | | \$360,000.00 |
| Estimated September Invoice | Consulting Services | | \$415,000.00 |

Outreach to Eligible Families

As of October 15, the program estimates that it has connected 102,000 students, representing approximately 32 percent of income-eligible students (by comparison, the federal government's Lifeline broadband subsidy program reaches less than 20 percent of eligible Americans).

We continue to provide vouchers to eligible households through multiple strategies, including:

1. Mail vouchers sent to eligible families with information for calling to order service from participating ISPs in their area (this has resulted in approximately 60,000 orders thus far). Given the substantial percentage of inaccurate addresses in school databases, we work with ALSDE to update the list twice a month and to send out new letters to households whose addresses have been corrected.
2. Mail vouchers sent to eligible families located where there is no participating provider, enabling them to contact us to have a hotspot delivered to their home (which has processed 6,250 orders thus far)
3. Voice vouchers provided over the phone to families who contact or are contacted by our customer service center
4. Voucher codes provided in person by school personnel in districts that have worked with us on local strategies for engaging eligible families

Customer Service, Communications, and Community Outreach

Our customer service center has handled more than 19,000 calls to date. The average hold time is less than a minute and overnight or overflow messages are returned on the day received or within 24 hours.

As the program moves from the launch phase to the growth phase, we have launched an outreach program to interested school districts, with a particular focus on districts in the Black Belt. The program is designed to provide support, tools, and guidance to encourage family participation in ways that do not burden or tax the schools. This effort began with a successful pilot program in September for a subset of schools in the Jefferson County School District. We have collaborated with the District Superintendent to facilitate outreach and communications, with a goal of helping families to be aware of the program and its benefits. These outreach activities include:

- Access to a full communications toolkit of traditional analog tools (banners, posters, etc.) and digital tools (social media strategy, Instagram maker, explanatory video and animations, etc.)
- Scripts and guidance for phone, text, and email outreach by the Superintendent to all students
- Physical distribution of voucher codes to families with first-quarter progress reports
- Development of on-campus events that provide opportunity to sign up on site with participating ISPs

We are expanding the Jefferson County pilot in October to other parts of the district and to other school districts. To date, 45 superintendents from school districts throughout the State have signed a Memorandum of Agreement with ADECA to participate in the program in this manner.

ISPs

The ADECA team continues to work with 37 ISPs across Alabama who are participating in the voucher program. In addition, in order to ensure as much participation as possible by Alabama companies, we have re-released the Request for Information to ISPs who would like to participate.

The existing participant ISPs have begun to submit invoices for September reflecting equipment, installation, and service charges since the inception of the program. To date, we have received and are reviewing 25 invoices and are working with providers to ensure that their invoices accurately reflect claimed vouchers. We anticipate submitting ISP invoices to ADECA for processing payment the week of October 20.

Program Participation

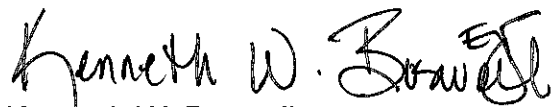
We have connected 32 percent of the approximately 290,000 students who are eligible for ABC for Students, based on income eligibility for the National School Lunch Program (We estimate that the remaining students in the ALSDE database who receive school lunches are not eligible for ABC for Students because their lunch eligibility is automatic for their entire school rather than based on income eligibility. The voucher letter explicitly requests that recipients not use the voucher if they are not income-eligible for the NSLP. We are working with the ALSDE to refine this number).

Program Spending

Spending to-date has been lower than anticipated in part because we successfully negotiated lower pricing from participating ISPs than we had anticipated. Rather than an average household cost of \$400, actual costs per household are averaging \$240. As a result, we expect cost under-runs for the program; however, it is too early to pinpoint what our actual expenses will be. The total dollar value of vouchers redeemed to date is approximately \$14 million.

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

Sincerely,



Kenneth W. Boswell
Director

KWB/tjr