

FACT SHEET

SCHOOLS AND LIBRARIES PROGRAM

I. Program Overview

- The Schools and Libraries Program – part of the Universal Service Fund – was created in May 1997 when the Commission adopted the Universal Service Order, pursuant to the Telecommunications Act of 1996.
- The Schools and Libraries Program ensures that all eligible schools and libraries have affordable access to telecommunications services, Internet access and internal connections.
- The program is capped at \$2.25 billion annually to provide eligible schools and libraries with discounts – ranging from 20% to 90% – for authorized services.
- Eligible services range from basic local and long distance telephone services and Internet access services to the acquisition and installation of equipment for providing internal connections to telecommunications and information services.
- The Universal Service Administrative Company (USAC) administers all four universal service support mechanisms: 1) schools and libraries, 2) rural health care, 3) high cost, and 4) low income.
- Percentage of U.S. public schools that have received discounted services since the e-rate program began: **66%**
- Percentage of U.S. classrooms connected to the Internet when the Telecommunications Act was passed: **14%**
- Percentage of U.S. public school classrooms connected to the Internet 5 years after the Act passed (2001): **87%**

II. Program Oversight

- Total number of USF-related audits: **26** audits of various types (e.g., financial, beneficiary, operational, carrier revenue).
- Total number of auditors at USAC: **7**
- Total number of auditors in the Office of Inspector General: **3** dedicated to USF oversight and **3** additional involved in USF oversight.
- Total number of Wireline Competition Bureau staffers with USF oversight responsibilities: **35+**

- Total number of applicants who have been audited since program inception: more than **50**
- Total number of applicants with audits in process or scheduled in 2003: more than **100**
- Total amount of e-rate funds that have been audited: approximately **\$1 billion**
- Percentage of top 25 e-rate recipients that have been audited: **50%**, which represents **30%** of total funds disbursed
- Total number of recommendations made by the General Accounting Office (GAO) that USAC has not implemented: **0**
- Total amount of funds recovered as a result of investigations: over **\$1 million**

III. Compliance Overview

- Total number of e-rate applications for funding year 2002: nearly **37,000 applicants** for more than **90,000 sites**
- Total number of e-rate applications over five-year history of program: **125,000**
- Total amount of funding committed to applicants since inception of program: **\$9.8 billion** (as of December 2002)
- Total amount of USAC authorized disbursement since program inception: **\$6.2 billion** (as of December 2002)