What is E-rate?
What is E-rate?

• Federal program overseen by FCC, run by USAC
• $3.913 billion cap, plus unspent $ from prior years
• Provides discounts ranging from 20-90% on C1 (broadband, internet and voice services) and 20-85% on C2 (internal connections equipment)
• All services/equipment must be competitively bid on USAC website
• Funding years based on first day of funding
  – FY 2017 = July 1, 2017 – June 30, 2018
  – FY 2016 = July 1, 2016 – June 30, 2017
What is EPC?
What is EPC?

- EPC stands for E-rate Productivity Center
- New account and application management portal
- All E-rate forms, letters and interactions will be phased into EPC
- You **MUST** be in EPC to apply for E-rate
Establishing your EPC Account

• USAC created EPC account for each applicant and identified an Account Administrator (person who signed FY2015 Form 471)
  • One AA per Billed Entity

• The AA can perform these functions:
  • Create Users
  • Assign Users’ Rights/Permissions
  • Change AA to another user
  • Join Consortia
  • Link to Your Consultant
  • Enter Enrollment/NSLP Data
Need an EPC account?

• Contact USAC at 888-203-8100 and ask:
  • Has your EPC account been created?
  • Who is the AA that was established for your entity’s account?
  • Has the AA logged in and accepted the Terms and Conditions?
• If you need to change AAs, USAC can help you with this
Accessing EPC...
Updating Your EPC Account

• Click on Billed Entity (first entity on the Organization list) > Related Actions in left toolbar

• Then perform these functions:
  • Establish other users and assign permissions (if any)
    • Users must create password and accept the terms and conditions
  • Review your “My entities” list on your Landing Page to ensure all buildings are listed
    • Add missing entities by creating a customer service case with USAC
  • Ensure that the addresses are accurate for each building, as well as the “profile” information for each entity
  • Join a consortium, if applicable
  • Link to a consultant, if applicable
  • Update your enrollment/NSLP data
    • Wait until FY2016 PIA is complete
What’s my discount?
Library Discount Calculation

• Libraries in a System:
  • Discount based on the percentage of students eligible for the NSLP in the school district in which the main library system outlet/branch is located

    AND

• The percentage of buildings in rural areas
  • If more than 50% are located in rural areas, then the rural discount should be used
Library Discount Calculation Example

- Library System ABC
  - Has library outlets in School Districts A, B, and C.
  - Main outlet is located in School District A.
    - Calculate NSLP eligibility based only on School District A’s population
- Determine own urban/rural status based on library outlets
  - Over 50% of library outlets are rural; therefore library system is rural
Discount Data

- All enrollment and NSLP data will be entered into EPC profile before filing the Form 471
  - Data auto-populates into Form 471 from EPC profile
- Libraries will not enter this data
  - Will enter the school district in which the main library branch is located
  - Libraries cannot submit 471 without schools entering their enrollment/NSLP data – more information to come for FY2017
What is eligible?
What’s Eligible for Category 1?

Category 1 (to the building):

• Telecommunications/broadband services
  • Lit leased fiber and Leased dark fiber
  • Ethernet
  • T-1 lines
  • Cable modem/DSL service
  • Purchase of dark fiber

• Internet access
  • Can include Internet and transport charges
  • Filtering is not eligible

• Voice services (being phased out by 20%/year)
  • PRIs, VOIP, local, long distance, cellular voice – eligible
  • Data plans, DID blocks, special calling features – not eligible
  • Only exceptions for mobile data plans are for bookmobiles, or where you can prove that they are more cost effective than installing WIFI in the library
## Voice Phase Out Schedule

<table>
<thead>
<tr>
<th>If Your Entity’s Discount is (in a given year):</th>
<th>Voice Discount Will Be:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2015</td>
</tr>
<tr>
<td>20%</td>
<td>No Funding</td>
</tr>
<tr>
<td>25%</td>
<td>5%</td>
</tr>
<tr>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>50%</td>
<td>30%</td>
</tr>
<tr>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>70%</td>
<td>50%</td>
</tr>
<tr>
<td>80%</td>
<td>60%</td>
</tr>
<tr>
<td>90%</td>
<td>70%</td>
</tr>
</tbody>
</table>
What’s Eligible for Category 2?

Category 2 (inside the building):

- **Internal connections**
  - Wireless equipment (WAPs/controllers)
  - Internal wiring
  - Routers, switches
  - Firewalls, racks, UPS (to support eligible equip)
  - Caching servers (this is the only eligible server)
- **Basic maintenance of eligible IC**
  - Warranties with separate cost are not eligible
- **Managed internal broadband services**
  - Paying an outside vendor to own/maintain the equipment
  - Paying an outside vendor to maintain library-owned equipment
What is a Category 2 Budget?
Category 2 Budgets

• Library budgets are $2.30 per square foot PRE-DISCOUNT with a floor of $9,200.
• This is a five-year budget that you can choose to use all in one year or spread out.
• Non-instructional facilities (NIFs) – including library NIFs with classrooms and administrative buildings – do not have Category Two budgets.
• Districts or library systems may not average their costs across multiple school or library budgets.
My library is 3,500 square feet. How do I calculate my Category Two pre-discount budget?

- 3,500 square feet x $2.30 per square foot = $8,050.
- However, there is a $9,200 floor. Since the result of the calculation is less than $9,200, the pre-discount budget is $9,200.
Category 2 Budgets

• C2 Budget Calculator:
  https://sltools.universalservice.org/portal-external/budgetLookup/

  http://www.fundsforlearning.com/schoolDistCalculator.php
What’s the process?
Application Process – 7 Easy Steps

1. Bid All Services/Equipment – Form 470
2. Vendor Selection/Bid Evaluation
3. Request E-rate Funding – Form 471
4. Application Review – PIA
5. Funding Commitment – FCDL
6. Turn on Funding/CIPA Compliance – Form 486
7. Submit Invoice to USAC – Form 472 BEAR
   • If paying invoices in full
   • Also, must submit Form 498 to provide bank routing information for reimbursements if using BEAR
   • (Vendor submits invoice to USAC if you receive discounted bills)
Application Process – 7 Easy Steps

**COMPETITIVE BIDDING**
- **APPLICANT**
  - Request services by submitting FCC Form 470 for bids
  - Evaluate bids received
- **SERVICE PROVIDER**
  - Review posted FCC Forms 470 and respond to applicant with bids for services requested
  - Select a service provider
  - Sign a contract or arrange for unmarried or month-to-month services

**APPLYING FOR DISCOUNTS**
- **APPLICANT**
  - Report services ordered by submitting FCC Form 471 within the filing window
- **SERVICE PROVIDER**
  - Provide assistance to applicant as needed

**SERVICES START**
- **APPLICANT**
  - Program integrity assurance (PIA) review
  - Confirm to USAC that services have started and report CIPA status by submitting FCC Form 486
- **SERVICE PROVIDER**
  - Receive funding commitment for approved discounts provided on services, submit FCC Form 473

**INVOICING**
- **APPLICANT**
  - If requesting reimbursement from USAC for services paid in full, submit FCC Form 472 (BEAR)
  - Complete invoice review: correct errors and resubmit forms if necessary
- **SERVICE PROVIDER**
  - Receive BEAR reimbursement from service provider
  - Receive SPI reimbursement from USAC
  - Method #1
  - Method #2
Step 1: Posting the Form 470

Purpose of the Form 470 - opens the competitive bidding process

- Asks for descriptions of the equipment/services you are requesting
- RFPs may be used to describe specific needs and circumstances, but aren’t required
- 470 may not required every year
- **Deadline**: Form 470 must be posted online at least 28 days before the Form 471 window close (example: April 15 close = March 18 deadline). File 470 by end of February, if possible
Step 2: Bid Evaluation/Vendor Selection

- After the Form 470 has been posted online, vendors submit proposals to the school or library
  - Proposals must be accepted for a minimum of 28 calendar days, but applicants may accept proposals after this date
- Vendors will contact you if they need additional information
- On 29th day after Form 470 is posted (called the Allowable Contract Date), you may conduct your bid evaluation and select a vendor
- Price of eligible services/equipment MUST be the most heavily weighted factor during bid evaluation
## Step 2: Bid Evaluation/Vendor Selection

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>POINTS AVAILABLE</th>
<th>VENDOR 1</th>
<th>VENDOR 2</th>
<th>VENDOR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price of the eligible products and services</td>
<td>30*</td>
<td>15</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td>Prior experience with the vendor</td>
<td>20</td>
<td>20</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>Prices for ineligible services, products, and fees</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>Flexible invoicing: FCC Form 472 or FCC Form 474</td>
<td>15</td>
<td>0</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Local or in-state vendor</td>
<td>10</td>
<td>10</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
<td><strong>65</strong></td>
<td><strong>68</strong></td>
<td><strong>92</strong></td>
</tr>
</tbody>
</table>

*This number must be higher than all other numbers in the same column.*
Purpose of the Form 471 - to request E-rate funds

• Shows discount calculations (data imported from EPC)
• Gathers contract information from EPC
• 470 #, contract signing/expiration dates, contract extensions, etc.
• Or gathers MTM/470 information if no contract
• Asks detailed questions about services or equipment (Item 21)
• Asks which entities (buildings) are receiving the service/equipment (recipients of service)

• 471s are required every year!
When and How Many to File

- **471 Application Window:** Usually runs January – March
  - Be sure to leave enough time for your 470 to be posted at least 28 days
- Can file a single 471 for all C1 requests or multiple
- Must separate C1 and C2 requests on different 471s
- Must be filed in EPC
Purpose of Program Integrity Assurance (PIA) - Checks for rule compliance

• Most applicants receive PIA questions regarding:
  • eligible services
  • eligible entities
  • appropriate discount

• Applicants have 15 days to respond
  • Can request a 7 day extension

• PIA is not handled in EPC
Step 5: SLD Issues FCDL

Purpose of FCDL = Funding Commitment Decision Letter - Tells you how much money was committed

- Delivered in EPC (not mailed)
- 471 contact will receive an email notification of FCDL
- Tells you which funding requests are approved or denied and how much $$
- If you don’t agree with funding decision, file an appeal
  - Must file within 60 days
  - Appeal to SLD if they made an error
  - Can then appeal to the FCC if USAC denies
  - Appeal to FCC for waivers and policy issues
Step 6: Filing the Form 486

Purpose of Form 486 - signifies that it’s OK for SLD to pay any invoices for that FRN, AND certifies CIPA compliance

- **Deadline**: Must be certified no later than:
  - 120 calendar days after the Service Start Date featured on the Form 486 or
  - 120 calendar days after the date of the Funding Commitment Decision Letter whichever is later
- Will be done in EPC
- USAC then issues the Form 486 Approval Letter to vendor and applicant
- Letter will be in EPC for FY2017
Step 7: Receiving E-rate Funding!

The Invoicing Method is the Applicant’s choice

SPI – vendor provides discounts on bills then vendor invoices USAC
  • Applicants do nothing except make sure they are receiving the discounts they deserve on bills

or

BEAR – applicant pays bills in full then invoices USAC for reimbursement
  • Applicant submits Form 472 – BEAR Form for reimbursement (Can invoice monthly, quarterly, semi-annually, or at end of year)
  • Must select one or the other for entire year
What should you be doing now?
What Should You Be Doing Now?

**FY2016**
- Wave 13 for FY 2016
  1. Check EPC to see if you have been funded
  2. Don’t forget to file a Form 486 in EPC

**FY2017**
- What do you need to apply for in FY2017?
  1) Set up your EPC Portal
  2) Decide what services/equipment you will need for FY2017
  3) File Form 470 to competitively bid the services or equipment
     - No need to file 470 if your services are covered under a multi-year contract
     - Wait 28 days, evaluate bids, award/sign contracts
  4.) Form 471 deadline likely to be mid-late March
What Should You Be Doing Now?

You Are Here

- PLAN
- BIDDING PROCESS
- APPLY
- APPROVAL
- BILL PAYMENT
- REFUND
Questions?
USAC Client Service Bureau (CSB) 888-203-8100
  • ‘Submit a Question’ on SLD website
  • Contact USAC from your EPC Portal

Ga E-rate Team
  • Gae-rate@usg.edu
  • www.gae-rate.usg.edu
Want More E-rate Training?

• USAC trainings and tutorials available at:

• Ga E-rate training videos and step-by-step instructions at:
  http://www.gae-rate.usg.edu/erate_toolbox
Helpful Links

- Schools & Libraries Website
- EPC Login
- E-rate Forms
- USAC Search Tools
- Eligible Services List
- Ga E-rate Website