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?
School District Discount Calculation

- All schools in the school district get the district discount, even if they apply individually or are the only recipient of service.
- Independent schools, not part of a district, calculate their discounts based on their own student population.
- Independent schools, not part of a district, determine urban/rural status based on their own physical address.
School District Example

• School District A (10 schools)
  – Total student population 3,000 students
  – Total students eligible for NSLP = 1,000 students
  – All but one of the schools are located in urban areas, so district = urban
  – 1,000 students eligible for NSLP/3,000 students = 33% eligible
## School District Example

**School District A**

<table>
<thead>
<tr>
<th>% of students eligible for National School Lunch Program</th>
<th>Category one schools and libraries discount matrix</th>
<th>Category two schools and libraries discount matrix</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Discount level</td>
<td>Discount level</td>
</tr>
<tr>
<td></td>
<td>Urban discount</td>
<td>Rural discount</td>
</tr>
<tr>
<td>&lt; 1.................................</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>1-19.................................</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td><strong>20-34.................................</strong></td>
<td><strong>50</strong></td>
<td><strong>60</strong></td>
</tr>
<tr>
<td>35-49.................................</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>50-74.................................</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>75-100.................................</td>
<td>90</td>
<td>90</td>
</tr>
</tbody>
</table>
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

- School budgets are $150 per student **PRE-DISCOUNT** based on the count of full time and part time students at that school 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 school 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.
Category 2 Funding Budget Example

- Red School District qualifies for a 50% discount rate.
- There are 1,000 students in total. High School has 550 students but 10 middle school students also take advanced classes there.

<table>
<thead>
<tr>
<th>School</th>
<th>F/T &amp; P/T Students</th>
<th>Pre-discount Category Two Budget</th>
<th>Post-discount Category Two Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red Elementary</td>
<td>100</td>
<td>100*150 = $15,000</td>
<td>$15,000*0.5 = $7,500</td>
</tr>
<tr>
<td>Red Middle School</td>
<td>300</td>
<td>300*150 = $45,000</td>
<td>$45,000*0.5 = $22,500</td>
</tr>
<tr>
<td>Mountain Top ES</td>
<td>50</td>
<td>50*$150 = $9,200 (floor!)</td>
<td>$9,200*0.5 = $4,600</td>
</tr>
<tr>
<td>Red High School</td>
<td>560</td>
<td>560*$150 = $84,000</td>
<td>$84,000*0.5 = $42,000</td>
</tr>
<tr>
<td>District Office</td>
<td>0</td>
<td>$0 (NIFs don’t qualify)</td>
<td>$0 (NIFs don’t qualify)</td>
</tr>
</tbody>
</table>
• 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
  - Wait at least 28 days

- **SERVICE PROVIDER**
  - Review posted FCC Forms 470 and respond to applicant with bids for services requested

### APPLYING FOR DISCOUNTS
- **APPLICANT**
  - Evaluate bids received

- **SERVICE PROVIDER**
  - Select a service provider

### SERVICES START
- **APPLICANT**
  - Report services ordered by submitting FCC Form 471 within the filing window
  - Confirm to USAC that services have started and report CIPA status by submitting FCC Form 486

### INVOICING
- **METHOD #1**
  - If requesting reimbursement from USAC for services paid in full, submit FCC Form 472 (BEAR)

- **METHOD #2**
  - If requesting reimbursement from USAC for approved discounts provided on services, submit FCC Form 474 (SPI)

- **SERVICE PROVIDER**
  - Provide assistance to applicant as needed

- **SERVICE PROVIDER**
  - Receive BEAR reimbursement from service provider

- **SERVICE PROVIDER**
  - Receive SPI reimbursement from USAC
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.
Step 3: Filing the 471

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
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](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