E-rate Basics
FY2017

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Information Technology Services

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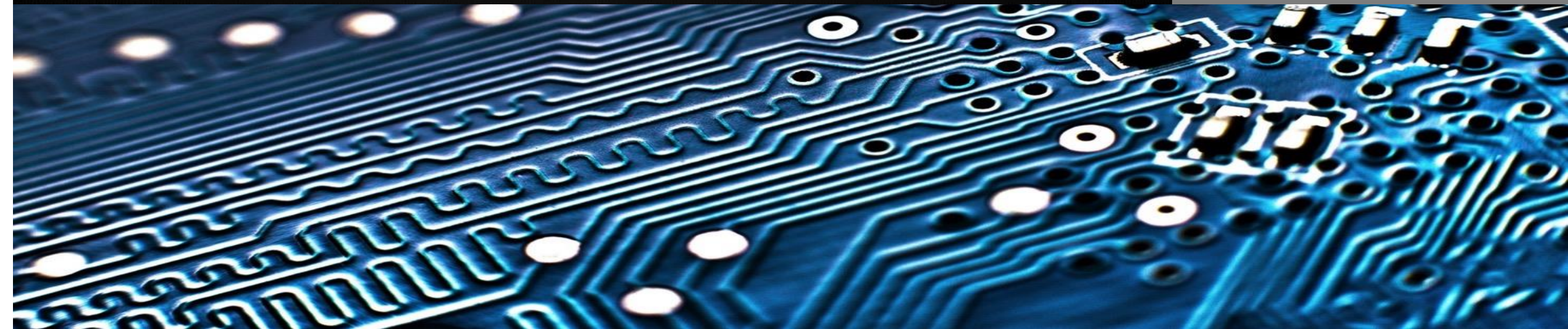
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INFORMATION TECHNOLOGY SERVICES
GA E-RATE

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

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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

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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

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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

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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 <u>main library system outlet/branch</u> 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

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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

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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

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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 <u>not</u> 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

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Voice Phase Out Schedule

If Your Entity's Discount is (in a given year):	Voice Discount Will Be:				
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
20%	No Funding	No Funding	No Funding	No Funding	No Funding
25%	5%	No Funding	No Funding	No Funding	No Funding
40%	20%	No Funding	No Funding	No Funding	No Funding
50%	30%	10%	No Funding	No Funding	No Funding
60%	40%	20%	No Funding	No Funding	No Funding
70%	50%	30%	10%	No Funding	No Funding
80%	60%	40%	20%	No Funding	No Funding
90%	70%	50%	30%	10%	No Funding

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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

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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.

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- 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

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Category 2 Budgets

- C2 Budget Calculator:

https://sltools.universalservice.org/portal-external/budgetLookup/

http://www.fundsforlearning.com/schoolDistCalculator.php
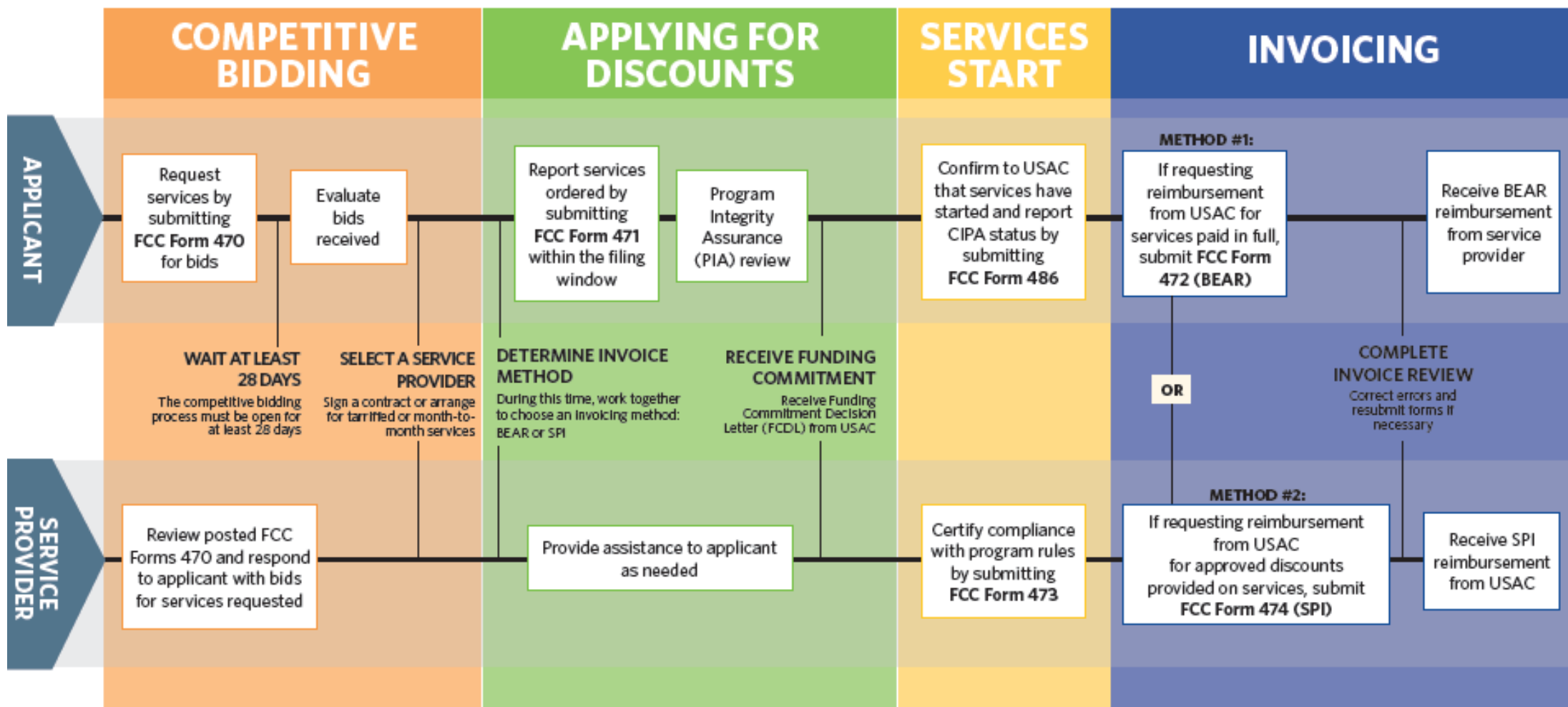
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What's the process?

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)

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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 <u>at least</u> 28 days before the Form 471 window close (example: April 15 close = March 18 deadline). File 470 by end of February, if possible

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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 <u>may</u> 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

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

*This number must be higher than all other numbers in the same column.

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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

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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

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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

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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 <u>whichever is later</u>
  - Will be done in EPC
  - USAC then issues the Form 486 Approval Letter to vendor and applicant
  - Letter will be in EPC for FY2017

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The Invoicing Method is the Applicant's choice

<u>SPI</u> – 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

<u>BEAR</u> – 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

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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

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What Should You Be Doing Now?

Questions?

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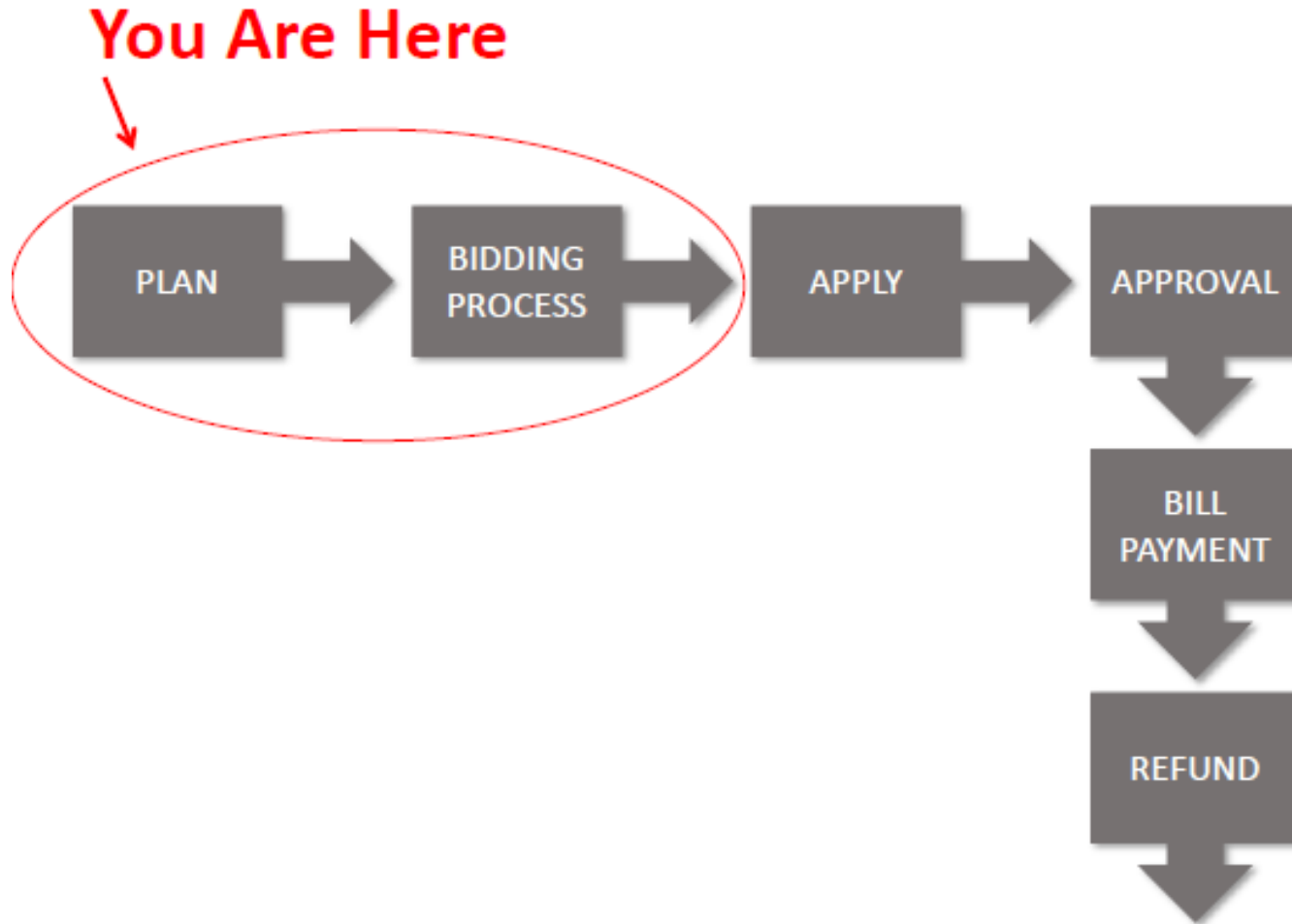
USAC Client Service Bureau (CSB) **888-203-8100**

- '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

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Want More E-rate Training?

- USAC trainings and tutorials available at:
  http://www.usac.org/sl/tools/e-rate-productivity-center/default.aspx

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

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Helpful Links

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

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