

E-rate Crash Course for Beginners!



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February 2017

What is E-rate?

- Federal program overseen by FCC, run by USAC
- \$3.913 billion cap, plus unspent \$ from prior years (\$1.9B for FY 2016)
- Provides discounts ranging from 20-90% on broadband, internet and voice services, and 20-85% on internal connections equipment
- All services/equipment must be competitively bid on USAC website for at least 28 days
- Funding years based on first day of funding
 - FY 2016 = July 1, 2016 – June 30, 2017
 - FY 2017 = July 1, 2017 – June 30, 2018

Where Are You and What Should You Be Doing Now?

- Great time to be coming into the program!
- Middle of FY 2016
- Start applying for FY 2017

1st Step? Enroll in EPC

- EPC = E-rate Productivity Center
- New account and application management portal
- Almost all E-rate forms, letters and interactions are conducted in the EPC Portal system
- Advantages?
 - All forms, submitted documentation and requests are archived in a single location
 - Lots of data will be entered into EPC prior to filing the application
 - Forms will be pre-populated with information
 - Supposed to provide streamlined reviews
- You **MUST** be in EPC to apply for E-rate

Establishing Your Initial EPC Account

- Every LEA should already have an EPC account and an Account Administrator
 - 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
- Unsure who your EPC AA is or need to change AA?
 - Call CSB at 888-203-8100

Accessing EPC...



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Tools Forms Payments **EPC**

About USAC **Schools and Libraries** Rural Health Care Lifeline High Cost Contributors Service Providers

USAC Home | Schools and Libraries Program

ABOUT THE PROGRAM

- Getting Started
- Eligible Services List
- Document Retention
- Appeals & Audits
- Glossary of Terms (PDF)
- FAQs

RESOURCES & TOOLS

- Apply for E-rate
- Forms
- Blog: File Along with Me
- Reference Area
- Tools



APPLICANT PROCESS

SERVICE PROVIDER PROCESS



You are accessing a Universal Service Administrative Company (USAC) system. This system is to be used to administer participation in the federal Universal Service Schools and Libraries support mechanism in compliance with 47 C.F.R. § 54, Subpart F. This system may be accessed by authorized users only. By logging in, the user represents that he/she is an authorized user. This system's usage may be monitored, recorded, read, searched, copied and/or captured and is also subject to audit. Unauthorized use or misuse of this system is strictly prohibited and subject to disciplinary and/or legal action, including criminal prosecution and civil penalties. Use of this system indicates acceptance of these terms. Additional terms (i.e., a user access agreement or contract) may govern your use of this system.

To accept these terms, click "I Agree."

I Agree

DISCOUNT CALCULATIONS



School Discount Calculation

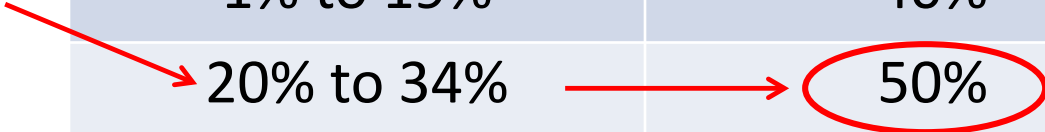
- Discount level for a school or district depends on:
 1. **% of students** who are eligible for National School Lunch Program (NSLP)
 - Doesn't matter if a school serves lunch or participates in the NSLP
 - AVTS and nonpublic schools use their own students' data, not sending schools' data
 - October NSLP data on PA E-rate website
 - CEP schools' discounts calculate with CEP% and 1.6 multiplier
 2. **Urban or rural** location of the school or library
 - Individual school and library is designated as "urban" if located in an "Urbanized Area" or "Urban Cluster" with a population of 25,000 or more
 - Any school or library not designated "urban" is considered "rural" and will receive the additional rural discount
 - 2010 U.S. Census data is used to determine rural status
 - EPC will automatically determine rural/urban status based on physical address entered in system

School District Example

School	Urban/Rural	Enrollment	NSLP	
DALLASTOWN EL SCH	R	185	83	
LOGANVILLE-SPRINGFIELD EL SCH	R	434	77	
YORK TWP EL SCH	R	463	176	
ORE VALLEY EL SCH	R	554	191	
DALLASTOWN AREA SHS	U	1715	366	
LEADERS HEIGHTS EL SCH	U	164	33	
DALLASTOWN AREA MS	U	1003	282	
DALLASTOWN AREA INTERMEDIATE	U	1380	408	
DALLASTOWN AREA SCHOOL DISTRICT	U	5898	1616	27%

Category 1 Discount Matrix

INCOME Measured by % of students eligible for NSLP	URBAN LOCATION Discount	RURAL LOCATION Discount
If the % of students in your school that qualifies for the NSLP...	...and you are in an URBAN area, your discount will be...	...and you are in a RURAL area, your discount will be...
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	90%	90%



Consortia Discount Calculations

- Based on the simple average of all consortia members

Consortia Members	District Discount
District A	50%
District B	60%
District C	80%
Consortia Discount	63%
	$(50+60+80)/3$

- Consortia are only entities that will have non-matrix discount

Category 2 Discount Matrix

- Maximum Category 2 discount is 85%
- All other discount bands will remain the same

NSLP Eligibility	Urban	Rural
Less than 1%	20%	25%
1 – 19%	40%	50%
20 – 34%	50%	60%
35 – 49%	60%	70%
50 – 74%	80%	80%
75 – 100%	85%	85%

Entering Discount Data in EPC

- All enrollment and NSLP data will be entered into EPC profile *before* filing the Form 471
 - Will then be ported into Form 471 from profile
 - Deadline to enter data is Sunday, February 27!
- Consortia and Libraries do not enter this data
 - Libraries enter the school district in which the library is located
 - Libraries discounts are calculated based on the school district in which their main branch resides.
 - Consortia and libraries' discounts are automatically calculated based on their member entities' discounts

What's Eligible and Not Eligible for Category 1 Funding?



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 beginning in FY 2016
 - **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
 - **FY 2017 = C1 discount minus 60%**

Voice Phase Out Schedule

If Your Entity's C1 Discount is (in a given year):	Your Voice Discount Will Be:		
	FY 2017	FY 2018	FY 2019
20%	No Funding	No Funding	No Funding
25%	No Funding	No Funding	No Funding
40%	No Funding	No Funding	No Funding
50%	No Funding	No Funding	No Funding
60%	No Funding	No Funding	No Funding
70%	10%	No Funding	No Funding
80%	20%	No Funding	No Funding
90%	30%	10%	No Funding

What's Eligible and Not Eligible for Category 2 Funding?



What's Eligible for Category 2?

- **Category 2 (inside the building):**
 - Internal connections
 - Wireless equipment (WAPs/controllers)
 - Internal wiring
 - Hub, routers, switches
 - Firewalls, racks, UPSs (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 broadband services
 - Paying an outside vendor to own/maintain the equipment
 - Paying an outside vendor to maintain library-owned equipment
 - Eligible for \$30/year/student
 - No voice or video equipment is eligible for C2

Category 2 - Other

- Training on how to use eligible equipment is eligible
- Installation and configuration is eligible
 - Doesn't have to be provided by the same vendor
- Multi-year licenses are eligible and can be requested in full in first year
- Eligible equipment may be purchased and/or installed on or after **April 1** prior to the beginning of the funding year
 - Cannot submit invoices to USAC until July 1

Category 2, 5-Year Budget Caps

- For FY 2017, each school is entitled to a pre-discount cap of \$153.47 per student, or a minimum building cap of \$9200, over a rolling 5-years
 - 5 years for entire district begins in first year a school is committed C2 funding
 - Budgets based on maximum density of students
 - Library budget is \$2.35 per sq. ft (\$5.12 for urban libraries)
 - Non-Instructional Facilities (NIFs) don't have C2 budgets
 - Equipment may be located in these facilities, however.
- Money is allocated per school (not on a shared-district basis)
 - Cannot move money from one school to another
- Money must be spent during funding year
 - Cannot apply for full budget and spend down over multiple years
 - Funding Year 2017 = 4/1/2017 – 9/30/2018
- Can use school's entire budget in a single year or can apply in multiple years

Category 2 Funding Budget Example

School	Maximum Density Student Count	Budget Multiplier	5-Year Pre-Discount Budget Cap	E-rate Discount	E-rate Funding Cap	District's Share %	District's Share \$
Plainfield Elementary	50	\$153.47	\$9,200*	70%	\$6,440	30%	\$2,760
Jacksonville Middle School	105	\$153.47	\$15,750	70%	\$11,025	30%	\$4,725
Newville High School	325	\$153.47	\$48,750	70%	\$34,125	30%	\$14,625

- The Budget Cap is the pre-discount price. E-rate discounts will then apply **on top of** the budget cap.
- In this example, district would still owe 30% non-discounted share.

** Although $50 \times \$153.47 = \$7,673.50$, the minimum floor is invoked because school has less than 62 students*

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)



Step 1: Posting the Form 470

- Form 470 opens the competitive bidding process for any new contract
 - If multi-year contract signed, 470 not required in out years of contract
- RFPs may be used to describe specific needs and circumstances, but aren't required
 - If available, RFPs must be uploaded into Form 470 when it's posted
- Descriptions of equipment/services cannot be manufacturer-specific
- Form 470 must be filed in EPC

Deadline: Form 470 must be posted online at least 29 days before the Form 471 window close (example: May 11 close = April 13 deadline). File 470 by March 1, if possible, to ensure contracts are approved at April board meetings



Category 2 Bidding

- **Post 470**
 - Public school entities also must release RFP if equipment over \$19,400
 - RFP must be uploaded with Form 470
 - Newspaper advertisements done simultaneously
 - Prevailing wage applies if project over \$25,000

or

- Use **PEPPM Mini-Bid** process
 - Public school entities only
 - Must seek proposals from all vendors in a certain “category” such as wireless, switches, UPSs, etc.
- Category 2 training materials posted at:

Public schools: <http://e-ratepa.org/?p=17051>

Nonpublic schools and libraries: <http://e-ratepa.org/?p=16921>

Step 2: Vendor Selection/Bid Evaluation

- 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
- When contacted by a vendor, you must indicate your willingness to receive a proposal for services listed on Form 470
 - Do NOT say you are just going to stay with your current vendor
- 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

Vendor Selection/Bid Evaluation

- Vendor selection must be done before you submit Form 471
- Be careful not to make any decisions, sign anything or file any forms during 28-day waiting period
- Contracts must be signed and dated by applicant
 - Unless receiving services on month-to-month basis
- Cannot select 2 vendors to provide the same service
 - FCC believes there should always be one bidder that is more 'cost effective' than any other

Step 3: Filing the 471

- Form 471 has multiple purposes:
 - Identifies recipients/locations of service
 - Explains what equipment/services being requested
 - Shows discounts
- FY 2017 Admin Window: Feb 3, 2017 – Feb 26, 2017
- FY 2017 471 Filing Window: February 27, 2017 – May 11, 2017



Do NOT miss this deadline!

- Can file a single 471 for all C1 requests
 - Multiple Category 1 471s are ok
- Category 2 requests must be placed on a separate 471
- Same Form 471 for FY 2017
- Must be filed in EPC Portal

Step 4: PIA Review

- Program Integrity Assurance (PIA) Review
- Checks for rule compliance
 - eligible services
 - eligible entities
 - appropriate discount
- Most applicants receive a PIA contact
 - Applicants have 15 days to respond
- If they are going to deny an FRN, they will tell you so and give you 1 more chance to submit new information



Step 5: SLD Issues FCDL

- FCDL = Funding Commitment Decision Letter
 - Delivered in EPC Portal with e-mail notification (no paper)
- Tells you which funding requests of Form 471 are approved or denied
- Can appeal if you don't agree with your decision
 - Must do so 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
- Watch PA E-rate listserve for weekly wave notices!



Step 6: Filing the Form 486

- 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
- Very easy to submit in EPC – almost no data entry

Step 7: Receiving E-rate Funding!

- Applicant has a choice
 - Discounts on bills (vendor invoices USAC)
or
 - Reimbursement process (applicant pays bills in full, then invoices USAC with Form 472 BEAR)
- Must select one or the other for entire year
- If you want discounted bills, call provider and file Form 486 as soon as you are funded
- **Deadline:**
 - October 28 (following close of funding year) for recurring services;
 - January 28 for non-recurring services/equipment
 - Can request 1 extension
 - Request must be submitted prior to invoice deadline – no exceptions



Reimbursement Method - BEAR

- BEARS (Form 472) are NOT submitted in EPC
- Submit using BEAR Legacy System
- Must have BEAR PIN to enter Legacy System
 - Call USAC at 888-203-8100 if you don't have one
- Before BEAR can be submitted, Form 498 must be approved by USAC
 - Form 498 provides direct deposit information
 - No paper checks mailed
 - USAC doesn't mail checks
 - Form submitted in EPC and then copy of voided check uploaded to USAC

Where Are You and What Should You Be Doing Now?

- Great time to be coming into the program!
- Middle of FY 2016
 - Most applications funded
 - Make sure that your Form 486 has been filed
 - Request discounted bills from vendors if, wanted
 - File Form 472 BEARs in July/Aug 2017 to get reimbursed where discounts weren't applied to invoices
- Start applying for FY 2017
 - 1) Update your EPC Portal with school data
 - 2) Decide what services/equipment you will need for FY 2017
 - 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 that was signed more than 28 days after a 470 was submitted, and expires on/after June 2018
 - Public schools: Don't file 470 if using the PEPPM contract
 - Wait 28 days, evaluate bids, award/sign contracts
 - 4) Submit Form 471 to USAC to request funding between Feb 27 – May 11

Want More E-rate Training?

- Previous training presentations on www.e-ratepa.org website
- Filing the 471 training next @ PETE&C!
- PA Form 471 trainings will be announced in the next few weeks
- USAC trainings and tutorials available at:
<http://www.usac.org/sl/tools/e-rate-productivity-center/default.aspx>

E-rate Help



- **SLD**
 - Client Service Bureau (CSB)
 - E-rate “Help Desk” where applicants can get answers to questions
 - Accessed via **888-203-8100**
 - ‘Create a Case’ in EPC Portal
- **PA E-rate Coordinator**
 - E-mail jtschell@comcast.net
 - www.e-ratepa.org

Questions?

