

E-rate Made Easy!

FY 2023



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What Entities are Eligible in PA?

- Public libraries that are eligible for LSTA funding
 - Includes bookmobiles
 - Admin buildings, data centers, etc. (NIFs)
 - Only eligible for broadband/internet services (not equipment)
- Every “organization” has an E-rate Billed Entity Number (BEN)
 - This entity pays the bills to the vendor
 - Every “building” must have an Entity Number
 - Call USAC to obtain Entity Numbers for new buildings
- Each Billed Entity (BEN) has an EPC Account (E-rate portal)
- Every EPC Account has “Users”
 - One (and only one) of the Users is the Account Administrator (AA)
 - ‘Related Actions’ is where most account management tasks are found
- **Call USAC at 888-203-8100 for EPC assistance**



E-rate Classifications for Various Libraries

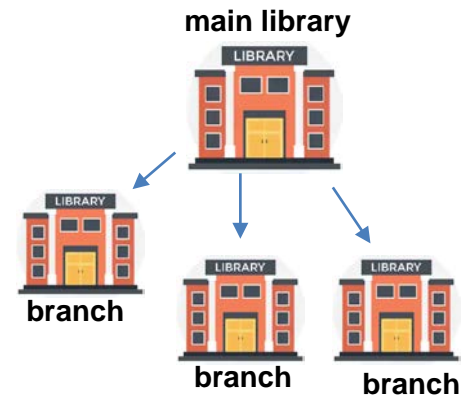
1. Independent Library

- Stand-alone library, not a branch



2. Library System

- Defined as library that has branches



3. Consortium

- Can be made up of one or more independent libraries
 - Consortia “lead” may or may not be an actual library
- Regional (Federated) library systems that procure services on behalf of independent libraries would be considered a “consortium” under E-rate rules
 - Not a “library system” as they’re known in PA



E-rate Eligible Services and Equipment



Categories of Service

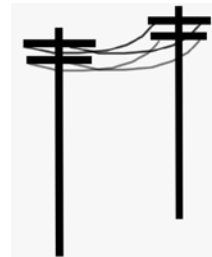
- **Category 1** – Services that go TO the library

- Subcategories:

- Data Transmission Services (fiber, coaxial cable, etc.)
- Internet Access

- Maximum discount is 90%

- No E-rate funding caps



- **Category 2** – Services/equipment that go INSIDE the library

- Subcategories:

- Internal Connections
- Basic Maintenance of Internal Connections
- Managed Internal Broadband Services (MIBS)

- Maximum discount is 85%

- Subject to 5-year “C2 Budget” (funding cap)



Category 1 Eligible

Most Common:

- Leased Lit Fiber
- Cable Modem/DSL/FIOS
- Microwave Service
- Internet Access

Also Eligible:

- Wireless data plans *
 - If no Wi-Fi access, must prove that data plans are most cost-effective option
- Satellite, leased dark fiber*, self-provisioned fiber*, BOPL, etc.
- Special Construction Charges
 - Costs for vendor to build-out network
- Installation Charges
 - One-time charge to “turn on” service

Not Eligible:

- Voice services
- Duplicative (redundant) services
- Filtering

* Additional bidding requirements apply

CABIO Internet Bidding Exemption

Commercially Available Bundled Internet Option

- Schools and libraries seeking “Commercially-Available Business Class Internet Services” are not required to file a Form 470
- Commercially Available means that it is publicly available to non-residential customers (such as enterprise, small business, or other government customers) in the same form and at the same rates that it is offered to schools or libraries
 - In layman’s terms, this means an internet service that is available on a vendor’s website for its business customers.
 - Typically only Cable-Modem, DSL, or FIOS Internet Service
- Minimum speeds must be 100 Mbps downstream and 10 Mbps upstream
- Cost must be \$3,600 or less annually (pre-discount)
 - Cost must be per-building and cannot be averaged across multiple buildings
 - \$3,600 includes any installation costs, equipment rental, taxes and fees

The CABIO option is geared to small libraries and small non-public schools using cable modem-type services

What's Eligible for Category 2 Funding?



3 Sub-Categories for C2

- Internal Connections (main)
- Basic Maintenance (BMIC)
- Managed Internal Broadband Services (MIBS)

Internal Connections Eligible

- Wireless Access Points/Controllers
- Network Routers & Switches
- In-Building Structured Cabling
- Caching Servers
 - Only eligible servers
- Firewalls
 - No advanced functions are eligible, like anti-spam, anti-virus, etc.
- Racks and UPSs
 - That support eligible equipment only
 - Network cards aren't eligible
- Equipment licenses
 - Multi-year licenses can be requested in first year
- Cloud-based functionality of this equipment
- Operating system software to support eligible equipment
- Installation and configuration
 - If wanted, be sure to specify this in your 470/RFP
- Taxes and fees
- Basic training on use of equipment
- **Not eligible:**
 - Storage Devices
 - Voice/Video Components
 - End User Devices

When Must You Bid a Service/Equipment?

A Form 470 must be filed to bid...

- 1) If a service is covered on a Month-to-Month basis (meaning no contract exists – these are mostly cable modem-type services);
- 2) At the beginning of any new contract
 - If you posted a Form 470 in a previous year, and then signed a multi-year contract that expires on or after June 30, 2024, you are not required to file a Form 470 for FY 2023
- 3) If you're upgrading service mid-contract and the upgrades and associated prices are not included in the original contract
- 4) All Category 2 equipment and services

**** Form 470 NOT required when using CABIO**

Contract extensions:

- Contract extensions are permitted to be included in the original contract
- Must have a definite end
 - **OK:** For example, a 3-year contract, with two 1-year renewals. Will not require new 470 until the end of 5 years
 - **NOT OK:** 3-year contract that automatically renews. Will require new 470 at the end of 3 years

Discount Calculations



Library Discount Calculations

- **Independent Library** (most PA libraries):
 - Discount based on the % of students eligible for the NSLP in the school district in which that library is located, and whether the library is located in an urban or rural area
- **Library Systems:**
 - Discount based on the % of students eligible for the NSLP in the school district in which the system's main library is located
 - and*
 - The % of libraries in rural areas
 - If more than 50% are located in rural areas, then the rural discount should be used
- **PA Federated Library Systems**
 - Made up of several independent libraries
 - Where System procures shared services, such as WAN/Internet
 - System would file as a **Consortium**
 - **Discount calculate by taking simple average of all consortia members' discounts**

Discount Matrix

Category 1

Category 2

Income % of students in the school that qualify for the NSLP...	Category 1 Urban Discount	Category 1 Rural Discount
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%

Category 2 Urban Discount	Category 2 Rural Discount
20%	25%
40%	50%
50%	60%
60%	70%
80%	80%
85%	85%

Category 2 Budget Calculations



Category 2, 5-Year Funding Caps

- Current C2 budget cycle = Funding Years 2021 – 2025
 - All C2 budgets will reset in FY 2026 and no funding will be carried over
 - C2 budgets are *pre-discount*
 - Applicants' E-rate discounts then apply

C2 Budget Calculations:

Single Libraries:

$\$4.50 \times$ square footage of library (including areas off-limit to the public)

OR

\$25,000

-- whichever total budget is greater

Library Systems:

$\$4.50 \times$ square footage of all libraries in the system **OR**

\$25,000 x total number of libraries in the system

– Whichever total budget is greater

Hybrid Calculation: For systems with 10 libraries or less, EPC will automatically calculate by library and take the higher amount (\$25,000, or square feet * \$4.50) from each library and add together

Category 2 Pre-Discount Budget

5-Year C2 Budget Cap*	E-rate Discount	E-rate Will Pay:	Library's Share %	Library Must Pay:
\$204,475	60%	\$122,685	40%	\$81,790

* The C2 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 their 40% non-discounted share

- Future funding years: To determine what **“remains”** in a C2 budget for future years in the C2 “cycle”, take the 5-Year Budget Cap and subtract the pre-discount amounts of what has been “committed” in the previous year(s) of the C2 cycle

What is YOUR Remaining Category 2 Pre-Discount Budget?

- <https://opendata.usac.org/E-rate/E-rate-C2-Budget-Tool-FY2021-/8z69-hkn7>
 - Enter BEN to filter just your entity's data

▼ Filters (1) ✕

[Clear All](#)

State

Applicant Type

City

Billed Entity Name

BEN

Consulting Firm Name (CRN)

How Does USAC Obtain Enrollment & NSLP Data?

- Short answer: Each school updates their EPC profiles annually during an “Admin Window”
 - System automatically calculates discounts
 - Discount Data is then be ported into E-rate application from EPC
 - For Funding Year 2023, Admin Window was open October 25 – early Jan
- Libraries do not enter enrollment/NSLP data
 - EPC linked to school district in which the library (or main library in a system) is located
 - Libraries only update changes to square footage for each building, if any

E-rate Application Process Overview



Application Process

1. Update EPC profile with sq footage changes
2. Assess needs and current contracts
 - File Form 470 to bid any new equipment or new broadband/internet services unless using CABIO
 - Wait 29 days, then evaluate bids
 - Price must be most heavily weighted factor
 - Sign contracts and upload into EPC
3. File Form 471 – annually to request E-rate funding
 - If using CABIO, go straight to the Form 471 and file when application window opens Jan

Application Process

4. Answer any PIA questions
5. Receive Funding Commitment Decision Letter (FCDL)
6. File Form 486 to “turn on funding” and certify CIPA compliance
7. Receive services/equipment
8. File Form 472 BEAR if not receiving discounted bills from vendor

Application Process Timeline

E-rate Step	Suggested Timeline
Assess Needs/Create Your Plan	August - November
Update EPC Profiles - Admin Window	Oct - early January
Bid All New Services/Equipment – Form 470 (<i>unless using CABIO</i>)	Now – early December
Bid Evaluation	January/February
Sign Contracts	January/February
Request E-rate Funding – Form 471	January – March xx??? (deadline TBA)
Application Review – PIA	April - August
Funding Commitment – FCDL	April - August
Turn-On Funding/CIPA Compliance – Form 486	FCDL receipt – October 28
Receive Services	July 1, 2023 – June 30, 2024
Pay Vendor (<i>if not receiving discounted bills</i>)	July 1, 2023 – June 30, 2024
Submit Invoice to USAC – Form 472 BEAR if paid vendor bill in full (vendor submits Form 474 SPI to USAC if you received discounted bills)	October 28, 2024 (deadline)

What's Next? Get Started Now!

- Do you need to file Form 470 for C1? For C2?
 - Don't file a C2 470 if:
 - You are using CABIO bidding exemption
 - You are under a multi-year contract that was previously bid with a Form 470
- File Form 471 by March xx to request discounts after contract is signed
- Update square footage in EPC after October 25

Any questions?

Don't forget....

- Sign up for listserves

- Are you on the PA E-rate listserve? (e-mail Julie, if not)
- Are you subscribed to the USAC E-rate Newsbrief?

<https://fe391570756406797d1477.pub.s10.sfmc-content.com/3n2usens2cz>

- Read E-rate Onboarding Guide: http://e-ratepa.org/?page_id=747

- Become EPC User for your library

- Attend future trainings and use guides at www.e-ratepa.org

