

E-rate Training Workshop for Veteran PA Applicants

Let's prepare for FY 2018



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October 2017

Agenda

- EPC Update
- Category 2 Update and PDE Comments
- FY 2018
 - What’s not changing
 - FY 2018 Form 471 Window/Admin Window dates
 - Changes to eligible services
 - Changes to Form 470 Requirements for Bundled Internet
 - Fiber rules – Clarification of “special construction” and Excess Strands
 - C2 budget calculations
 - PEPPM bidding
- FY 2017
 - Status of PIA Reviews and FCDLs
 - Form 486 Reminder
 - Purchasing C2 before FCDL
 - C2 equipment labeling/tracking reminder
- FY 2016
 - BEAR Deadline – October 30
 - BEAR Extension Deadline – October 30
 - Form 498/BEAR PINs
 - Form 500 to return funds

EPC Update

- EPC system will be around for several more years
 - System “bug” fixes are deployed almost every week
 - Currently, some Form 486 approvals are caught in snags
 - New Terms and Conditions
 - Upon log-in, system will require you to agree to new T/Cs
 - New language requires you to agree that all correspondence may be sent electronically
 - BEARs will NOT be in EPC for FY 2017

EPC's New Look

- Previous Tool Bar looked like this:
 - Left side of most pages
- New Tool Bar is horizontal:
 - Functions remain the same



USAC
Universal Service Administrative Company

Summary
News
Related Actions ▶
Customer Service
Additional Information
Discount Rate
Contracts
FCC Forms

News Tasks (3) Records Reports Actions

Records / Applicant Entities

#125300 -
MCGUFFEY
SCHOOL DISTRICT

MANAGE ORGANIZATION CREATE A CUSTOMER SERVICE CA... MANAGE ORGANIZATION RELATI... ⋮

Summary Customer Service Modifications Additional Information Discount Rate Contracts FCC Forms FRN Appeals News

Related Actions

FY 2018 Form 471 “Admin” Window

- **Enrollment/NSLP “Admin” Window**
 - Like last year, “Admin Window” will open before the Form 471 filing window
 - Schools must update their enrollment and NSLP/CEP data during this window
 - Data will then be “locked down” and Form 471 window can open
 - Admin Window dates have not yet been announced
 - Will likely be open mid November – end of December
 - Wait for OK from USAC/Julie

Do Not Enter New Data Now

- **What data to use?**
 - PDE NSLP Data will not be available until mid January
 - Ask your food service director for the data they have or will submit to PDE in the PEARS system for October 2017
 - Can submit a Form 471 RAL Correction to update discount data after Form 471 is submitted, but it may delay review of your application

FY 2018 Form 471 Application Window

- 471 Window deadline guess?
 - **Early January – Mid March**
 - Exact dates should be announced in the next 2 weeks
 - Expect a much shorter window for FY 2018
 - USAC wants to have most FCDLs issued by July 2018
- Recommended timeline:
 - NOVEMBER: File all Form 470s/release PEPPM Mini-bids by Thanksgiving
 - DECEMBER: Vendor bids submitted during December
 - JANUARY: Bid evaluation, board agenda submission
 - FEBRUARY: School board approval, sign contracts
 - MARCH: File Form 471
- **Form 470s being accepted in EPC NOW**

FY 2018: What's Not Changing

- Contract Records can be entered in EPC as soon as NEW contracts are signed
 - Existing contract records continue to exist – don't enter them again
 - Cannot edit or delete an existing contract record
- Copy FRN functionality in 471
 - Can copy an FRN from FY 2017 and modify
 - Best used for recurring services under multi-year contract or MTM agreement
- Form 471 Category 2 Templates
 - Will be available again and make filing C2 applications easier

FY 2018 Eligible Services

- New ESL contains almost no changes
 - Clarifies that connections between different schools that are located in the SAME building are Category 2
- Voice continues to be phased out
 - FY 2018 is final year for voice funding
 - Only available at 10% rate, and only for 90%-discount applicants



New 470 Requirement for Bundled Internet

- If seeking Internet with Fiber Transport:
 - New requirement to list 2 service requests on 470:
 - Leased Lit Fiber **AND** Internet/Transport Bundled
 - Then explain in the narrative that you are not seeking a lit fiber WAN, but rather are seeking Internet with a Fiber Transport at X bandwidth

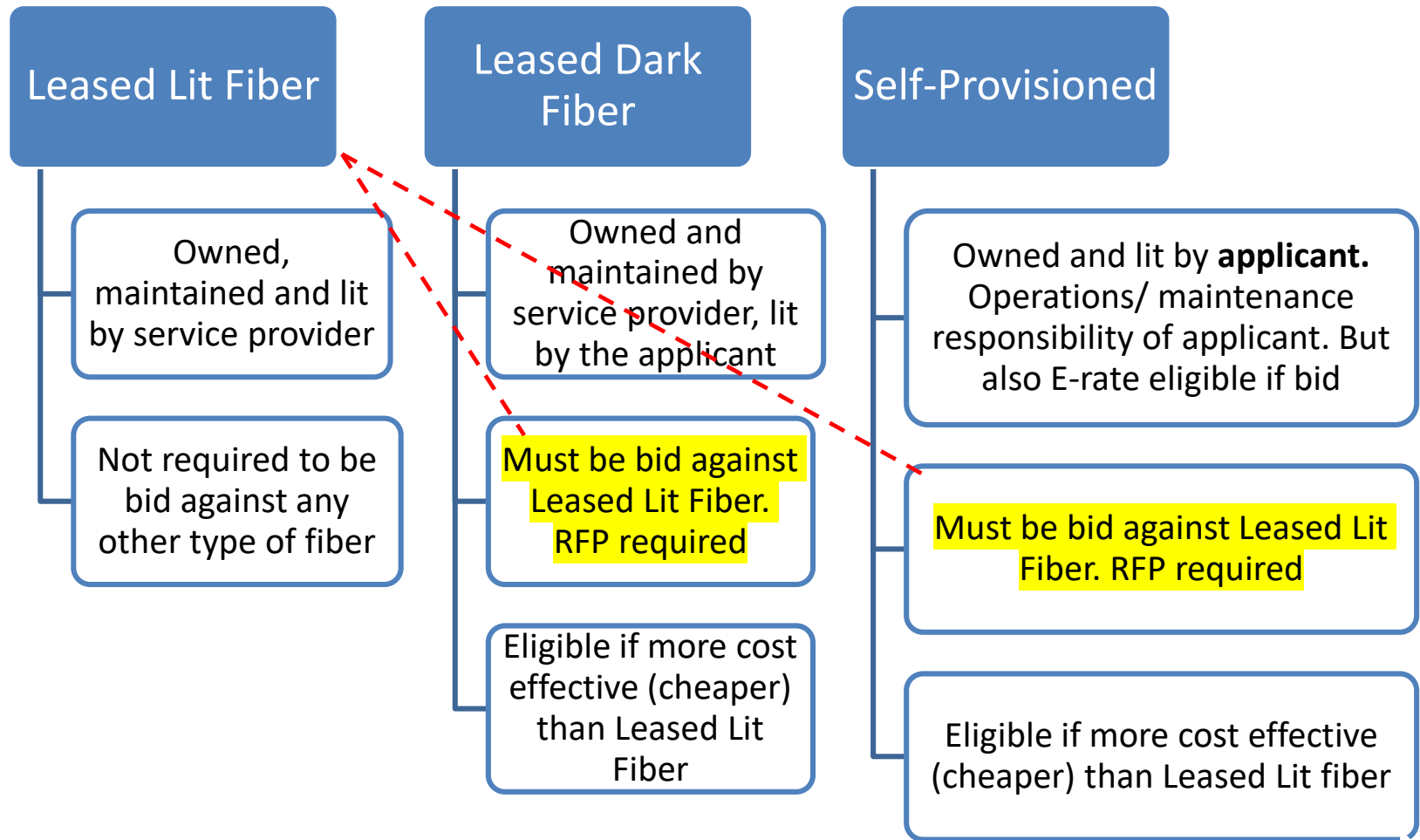
Note: *I am monitoring PA applicants who are in non-compliance and will be reaching out to those 471 contacts telling them to refile*

Which FRNs Need Rebid for FY 2018?

- On Oct. 24, a message was sent to the PA E-rate listserv with:
 - All FY 2017 Recurring Services FRNs, showing:
 - Which FRNs will not be under contract for FY 2018 (or have available extensions) and MUST be rebid
 - Which FRNs are for **MTM** services and must be rebid
 - Which FRNs will still be under contract as of FY 2018 and **do NOT** have to be rebid
 - Which FRNs are for **voice** and whether or not they will qualify for FY 2018 based on the discount rate
- Use this data to help plan for FY 2018!

3 Different Classes of Eligible Fiber

~ Traditional ~



Special Construction Charges – **Conditionally** Eligible for All Types of Fiber

Special Construction Charges

- “Build” Charges
 - One time charges incurred for installation of new service
 - Can be for Leased Lit, Leased Dark or Self Provisioned Fiber
- Special Construction includes:
 - Construction of network facilities
 - Design and engineering
 - Project management
- Can be paid by E-rate in first year
 - No requirement to amortize E-rate funding over 3 years
- Applicants can ask vendors for up to a 4 year payment plan for the non-discounted share of these costs
 - Request must be included on the Form 470 and contract
 - **For example**, if there is a \$100,000 SC Charge with 60% E-rate discount:
 - E-rate will pay for \$60,000 in Year 1
 - Applicant may request to pay vendor \$10,000/year for 4 years to pay off non-discounted amount of SC charge



What if “Excess Strands” of Fiber are Included in Trench?

Leased Lit or Leased Dark Fiber – Applicant’s Exclusive Future Use:

- If the applicant can **prove** that buying a cable containing the larger # of strands placed in the fiber system for the applicant’s future use is more cost effective than buying a fiber cable with the exact # of strands the applicant plans to place into service the first year, no cost allocation of the excess strands is required and no other special construction charges would need to be cost allocated

Leased Lit or Leased Dark Fiber – Vendor’s Future Use:

- Applicant **must** cost allocate the cost of the service provider-owned extra strands, **AND** all incremental costs of those extra strands from the special construction E-rate funding request
- It is not a pro-rata share, but an **incremental** cost calculation that must be backed by detailed documentation
 - Splicing labor
 - Splicing enclosures
 - Fiber installation labor (for extra strands)
 - Fiber materials (for extra strands), such as larger circuit boards, etc.

What if “Excess Strands” of Fiber are Included in Trench?

Self-Provisioned Fiber – Applicant’s Exclusive Future Use:

- E-rate will pay for **all** special construction costs, but **only** the # of fibers being lit in the first year
 - However, **if** the applicant can **prove** that buying a cable containing the larger # of strands placed in the fiber system for the applicant’s future use is more cost effective than buying a fiber cable with the exact # of strands the applicant plans to place into service the first year, no cost allocation of the excess strands is required and no other special construction charges would need to be cost allocated
- If any additional fibers are included for any “**non-public entity**,” the entire funding request will be denied
 - No cost allocation is permitted

What if “Excess Strands” of Fiber are Included in Trench?

Self-Provisioned Fiber – “Public-Entity” Consortium Use:

- If the consortium that includes public-sector partners, the special construction cost-allocation rules are the same as the Leased Lit or Leased Dark Fiber
 - The cost of the ineligible fibers must be deducted from the funding request, but only the incremental costs related to labor, materials, engineering, project management, and design must be cost allocated
- For the purposes of E-rate, “public sector partner” is defined as health care providers and public sector (governmental) entities, including, but not limited to state colleges and universities, state educational broadcasters, counties and municipalities

Category 2



Is Category 2 in Danger?

- Despite some ‘Calls to Action’, Category 2 funding is not in danger
 - \$ amount and/or structure *could* change in FY 2020
 - Although there are rules call for “rolling” 5-year budget, no certainty this will happen
 - **Advice? Use C2 funding in FY 2018 or FY 2019, if possible**
 - Please consider submitting comments to the FCC about need to increase \$150/student and shift to district-wide C2 budgets
 - Initial comments were due Oct 23
 - Reply comments due Nov 7
 - If interested, e-mail Julie for general template to use
 - I will edit and upload for you!

PDE's Category 2 Comments to FCC

Summary of PDE Comments:

- PA Utilization of C2 Budgets (see next slide for details)
- Simplifying the C2 Initiative for School/Libraries and USAC
 - Shift from School-Based Budgets to District-Based Budgets
 - Eliminate Building-to-Building Equipment Transfer Limitations
 - Eliminate Building-by-Building Allocation of C2 Equipment on Form 471
 - Eliminate School Building-Level Discount Data in EPC
 - Align All C2, 5-Year Budgets
 - Adjust C2 Budgets for Inflation Every 5-Years
- Continue the Current Category 2 Funding Mechanism
 - Do Not Revert to the 2/5 Rule
- Eliminate Queen of Peace “Equivalent” Bidding Requirements for Schools that Have Standardized on a Manufacturer
- Place Form 486 CIPA Certifications on the Form 471
 - Eliminate Form 486 Entirely
- Allow Upfront Funding of Manufacturer Warranties

Available at: <https://www.fcc.gov/ecfs/filing/1023387727667>

PA C2 Budget Utilization

- Since FY 2015, PA's schools and libraries have received nearly \$100 million in Category 2 funding
- 2825 individual schools and libraries within 825 separate billed entities have utilized at least some or all of their Category 2 budgets
 - 82% of our public school districts have utilized **some** of their C2 budgets
 - 23% of public school districts have spent **ALL** of their five-year budget

Category 2 Bidding Options

- **Nonpublic schools/libraries:**
 - Post 470 only; No RFP required
 - Wait 29 days, conduct bid evaluation, sign contract and submit 471
 - Can consider other factors besides cost
- **PA Public schools:**
 - 2 Options:
 - 1) Post Form 470/RFP

~ or ~

 - 1) Use PA PEPPM Contract

Public Schools C2 Bidding: Option # 1

Post Form 470 and RFP

- RFP required if cost of equipment exceeds \$19,400 (state law)
- Form 470 and RFP bidding must be done concurrently and bidding window required to be open for at least 28 days before bids are due (E-rate rule)
- RFP must be published in at least 2 local newspapers of general circulation once/week for 3 consecutive weeks (state law)
- Equipment list **MUST** allow for equivalent manufacturer's products to be bid (E-rate rule)
 - “Cisco 48-port PoE Switch or equipment that is equivalent in functionality and quality”
- Assuming all RFP requirements have been met, schools must accept the lowest-price bid (state law)
- Most school board must approve contract prior to signing
 - Contract must be signed before submitting Form 471
- Use this option for **structured cabling projects**

Public Schools C2 Bidding: Option # 2

Conduct PEPPM Mini-Bid

- No Form 470 required (PEPPM filed Form 470 when contracts were being competitively bid)
- Must conduct PEPPM Mini-Bid Procurement
 - Request proposals from all manufactures in that “Category”
 - Can list preferred manufacturer, but must request bids for “equivalent” products
 - Minimum 2 week bidding period; longer preferred
- Then conduct bid evaluation among all product lines that offer the ‘category’ of service, including equivalents
- Can consider other factors besides price
- Sign contract (or vendor quote) and use those contract dates – not PEPPM dates – in EPC contract record
- Cannot contact PEPPM bidder ahead of bidding to seek equipment list

Example: PEPPM Mini-Bid Category List

Manufacturer	PEPPM Vendor Name	Wireless Equip.	Cabling/Connectors	Caching Servers	Firewall Equip.	Switches	Routers	UPS	Racks
Aerohive Networks	Aerohive Networks	X							
Alcatel-Lucent	Alcatel-Lucent USA, Inc.					X			
Allied Telesis, Inc.	En-Net Services, LLC					X			
Checkpoint	ePlus Technology, Inc.				X				
Cisco	ePlus Technology, Inc.	X				X	X		

Calculating Remaining C2 Budgets

- Multiply the School's Current Enrollment by \$153.47 to obtain the current 5-Year C2 Pre-Discount Budget *
- Subtract the pre-discount amount of any C2 E-rate funding used FY 2015, FY 2016, or FY 2017 for each school
- Add back any C2 funding that was or will be “decommitted” via Form 500

** Libraries use \$2.35 per sq. ft. for non-urban libraries, and \$5.12 per sq. ft. for large, urban libraries*

What C2 \$ Has Been “Used” So Far?

- Spreadsheet sent to PA Listserve on Oct 16, 2017

- <http://e-ratepa.org/?p=21791>

- Data obtained from 2 sources:

- **FY 2015:**

<https://slweb.universalservice.org/form471publicdatatool/app/#/>

(“current” form view)

- **FY 2016 and 2017:**

<https://data.usac.org/publicreports/Forms/Form471Detail/Index>

(“current” form version)

- USAC has a C2 budget tracking tool where you can search C2 commitments by building entity number, but it doesn’t include any FY 2017 data

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

Returning Unused C2 Commitments

- C2 budgets are based on school enrollments
- Funding is “drawn down” from a school’s budget whenever funds are **committed**
 - not when funds are **disbursed**
- Therefore, to “return” unused C2 commitments to be available in future years, you must file a Form 500
 - Submit in EPC
 - Approval takes a few months

FY 2016 BEAR Deadline

- Monday, October 30, 2017 is the ABSOLUTE deadline to submit a BEAR for FY 2016 recurring services
 - October 28 falls on a Saturday
- Monday, October 30, 2017 is also the ABSOLUTE deadline to request an extension (IDER)
 - **No exceptions** (ask anyone who missed the deadline last year and appealed to the FCC)
 - Single, 120-day extension will be granted
- Request an Extension NOW if...
 1. You haven't yet submitted your FY 2016 BEAR
 2. You submitted a FY 2016 BEAR but it is "in review"
 3. You don't have a BEAR PIN
 4. You have not filed a BEAR since July 2015 and do not yet have your Form 498 (Direct Deposit Form) approved by USAC
 - *This form is only required to be submitted once, not annually*

* *January 28, 2018 is deadline to submit BEAR for FY 2016 non-recurring services (internal connections)*

2 Ways to Request Extensions

- If you have a BEAR PIN:
 - Submit IDER request in BEAR Module
 - <http://www2.sl.universalservice.org/bear/login.aspx>
 - Instant approvals!



- If you don't have a BEAR PIN:
 - Use 'Submit a Question' feature to request extension
http://www.slforms.universalservice.org/EMailResponse/EMail_Intro.aspx
 - Not done in EPC
 - Approvals sent within 30 days

How to Request BEAR PIN

- All BEARs must be submitted online
 - Paper BEARs can no longer be submitted
 - Must be filed in “old” BEAR system:
<http://www.sl.universalservice.org/menu.asp>
- PIN needed to log-in to Online BEAR
 - PIN is not your EPC Password
- If you had a PIN but can't find it, call CSB at 888-203-8100 and they will regenerate it
- If you don't have a PIN, you must complete a simple template and submit to USAC
 - Template available at:
<http://www.usac.org/res/documents/sl/xls/PIN-request-template.xlsx>
 - Submit in EPC or using ‘Submit a Question’ feature
 - BEAR PIN will be e-mailed within a few days
 - Usually mailed, taking 3 weeks
- **If you don't yet have a BEAR PIN, request an IDER!!!**



Status of PA FY 2017 FCDLs

- 3749 FRNs submitted
 - 272 still “pending”
 - About half are C1, half are C2
- Pending FRNs:
 - Most apps are for large consortia
 - Or applications with “exceptions”
 - Requested more than C2 budget
 - Discount calculation differs from PDE NSLP data

FY 2017 Form 486s

- If you have been funded for FY 2017, don't forget to file your Form 486 to "turn-on funding"
- A "486-Due List" was sent to the listserve on Oct. 5
- You must wait until you receive an FCDL to file the 486
 - Deadline is 120 days after FCDL date
- VERY easy form to file in EPC (click, click, click)
 - Guide at: http://e-ratepa.org/?page_id=754
- If you're on the "486-Due List" but know you've certified your 486, it likely means it's being held for further review by USAC
 - **Be careful when clicking on CIPA certifications**
 - These toggle instead of staying checked!

FY 2017: Lessons Learned

- Upload ALL RFP documents
 - Amendments, FAQs, any supplemental documentation that an applicant shares with vendors
 - Restart 28-day clock if RFP is materially changed
- Don't miss BEAR deadline
- Upload C2 contracts
- Send or sign written confirmation to vendor of intent to exercise contract extension
- Expect to provide copies of vendor invoices to USAC invoicing for C2 BEARs
- Label and track equipment for audits using FAR or other system
- Don't apply for more funding than what's remaining in your C2 budget
- Don't wait until March to take contracts to boards for approval
- Use the www.e-ratepa.org "Helpful Documents" page for Guides

Want More E-rate Training?

- Beginners training completed:
 - PP will be posted on www.e-ratepa.org website
- Upcoming Webinars:
 - Category 2 for Nonpublic Schools/Libraries
 - Category 2 for PA Public Schools
 - Form 470 Training



E-rate in Pennsylvania

What is E-rate | Listserve Archive

DISCOUNT CALCULATIONS | TRAINING & OUTREACH | E-RATE 2.0 | PA E-RATE FUNDING ANALYSIS | HELPFUL DOCUMENTS | E-RATE FILINGS

Learn About **e-rate 2.0**

Newest Listserve Messages

- E-rate 2.0 Update: Forms, Rural, Trainings**
October 7, 2014
- FY 2014, Wave 22 E-rate Funding Committed**
October 6, 2014
- FY 2014, Waves 20 & 21 E-rate Funding Committed**
October 6, 2014
- FY 2012 E-rate Funding Remains Uncollected**
September 24, 2014
- FY 2014, Wave 19 E-rate Funding Commitments**
September 15, 2014
- Register Now for E-rate Training in PA!**
September 9, 2014

[Read More Listserve Messages >](#)

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Discount Calculations | Training & Outreach | E-rate 2.0 | PA E-rate Funding Analysis | Helpful Documents | E-rate Filings

Final Reminders!

- **File FY 2016 BEARs by October 30**
 - Request a BEAR PIN if you don't have one
 - Submit Form 498, direct deposit form, if one hasn't been previously approved
 - **File IDER now** to obtain invoice deadline extension
- **File FY 2017 Form 486s after FCDL**
 - Must be filed within 120 days
- **File FY 2018 Form 470s NOW**
 - Review C1 contracts for expiration dates
 - Determine what schools need C2 equipment
 - And which procurement option to use
- **Don't update enrollment/NSLP in EPC YET**

Questions?

