

E-rate Overview for Libraries

Funding Year 2021



Presented by Julie Tritt Schell
PA E-rate Coordinator
for the Pennsylvania Department of Education

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www.e-ratepa.org

What is E-rate?

- Annual \$3.9 billion federal program
 - Administered by USAC, under direction from FCC
- Provides 20-90% discounts on eligible services
 - Applicants MUST pay their non-discounted share (cannot be waived)
- 2 Categories:
 - **Category 1:** Services TO the building
 - **Category 2:** Equipment/services INSIDE the building
- All E-rate applications/functions are conducted within One Portal/EPC
 - New umbrella log-in system with multi-factor authentication (MFA)
 - If you haven't yet set up One Portal, go to:
<https://forms.universalservice.org/portal/login> and enter e-mail address, then “forgot password”
 - One Portal Guide: <http://e-ratepa.org/?p=32537>
 - Call USAC at 888-203-8100 if system doesn't recognize your e-mail address

E-rate Classifications for Various Libraries

➤ E-rate refers to applicants as Billed Entities (BENs)

- Administrative entity that pays the bills

➤ 3 different types of library BENs

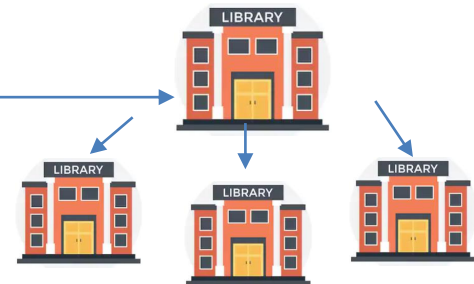
1. Independent Library

- Stand-alone library, not a branch



2. Library System

- Defined as library that has branches



3. Consortium

- Can be made up of different types of entities

- 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

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** (33 in PA)
 - 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% |

Categories of Service

- **Category 1** – Services that go TO the library
 - Data Transmission Services (fiber, coaxial cable, etc.)
 - Internet Access
 - No E-rate funding caps



- **Category 2** – Services/equipment that go INSIDE the library
 - Internal Connections
 - Switches, routers, wireless access points, wireless controllers, cabling, firewalls, caching servers, racks and UPSs, installation/configuration
 - Basic Maintenance of Internal Connections
 - Managed Internal Broadband Services (MIBS)
 - **Subject to 5-year E-rate funding caps**



Category 2, 5-Year Funding Caps

- C2 Budget Multiplier for Single, Independent Libraries:
 - **\$4.50** x square feet = 5-year pre-discount C2 budget
 - Minimum/building = \$25,000
 - Whichever is greater
- Will be same multiplier for 5-year C2 funding cycle: FY 2021 – FY 2025
 - All C2 **budgets will be reset** at beginning of each C2 cycle (FY 2026)
 - Unused funding will NOT carry over from previous C2 cycle
- C2 budgets are **pre-discount**
 - Applicants' E-rate discounts then apply
- Equipment can be **transferred** between libraries of a system (not a consortium)

Calculating 5-Year C2 Budgets – Larger Library Systems

Library Systems with **11 or more** libraries – 2 options:

- Calculate by total square footage x \$4.50
or
- Calculate by total number of libraries x \$25,000
➤ Use whichever total budget is higher



A

| Library | Sq Feet | FY 2021 - 2025 Budget (\$4.50/sq ft) |
|----------------|---------------|--------------------------------------|
| Red Library | 15000 | |
| Green Library | 10000 | |
| Yellow Library | 5000 | |
| Blue Library | 1500 | |
| | 31,500 | x \$4.50 = \$141,750 |



B

| Library | Sq Feet | FY 2021 - 2025 Budget (\$25,000/building) |
|----------------|--------------------|---|
| Red Library | | \$25,000 |
| Green Library | | \$25,000 |
| Yellow Library | | \$25,000 |
| Blue Library | | \$25,000 |
| | 4 libraries | x \$25,000 = \$100,000 |

Calculating 5-Year C2 Budgets – Smaller Library Systems

Library Systems with **10 or fewer** libraries – 3 options:

a) Calculate by total square footage x \$4.50

or

b) Calculate by total number of libraries x \$25,000

or

c) Calculate by library and take the higher amount from each library and add together

➤ Use whichever budget is higher



| Library | Sq Feet | FY 2021 - 2025 Budget (hybrid) |
|--|---------|--------------------------------|
| Red Library | 15000 | x \$4.50 = \$67,500 |
| Green Library | 10000 | x \$4.50 = \$45,000 |
| Yellow Library | 5000 | Minimum = \$25,000 |
| Blue Library | 1500 | Minimum = \$25,000 |
| Total of all buildings' max. budgets: \$162,500 | | |

Budget Calculation Examples – Libraries

LARGE:

11 or more libraries have 2 choices:

A

| Library | Sq Feet | FY 2021 - 2025 Budget (\$4.50/sq ft) |
|----------------|---------------|--------------------------------------|
| Red Library | 15000 | \$67,500 |
| Green Library | 10000 | \$45,000 |
| Yellow Library | 5000 | \$22,500 |
| Blue Library | 1500 | \$6,750 |
| | 31,500 | x \$4.50 = \$141,750 |

B

| Library | Sq Feet | FY 2021 - 2025 Budget (\$25,000/building) |
|----------------|--------------------|---|
| Red Library | 15000 | \$25,000 |
| Green Library | 10000 | \$25,000 |
| Yellow Library | 5000 | \$25,000 |
| Blue Library | 1500 | \$25,000 |
| | 4 libraries | x \$25,000 = \$100,000 |

SMALL:

10 or fewer libraries have 3rd “hybrid” option to consider:

C

| Library | Sq Feet | FY 2021 - 2025 Budget (hybrid) |
|--|---------|--------------------------------|
| Red Library | 15000 | x \$4.50 = \$67,500 |
| Green Library | 10000 | x \$4.50 = \$45,000 |
| Yellow Library | 5000 | Minimum = \$25,000 |
| Blue Library | 1500 | Minimum = \$25,000 |
| Total of all buildings' max. budgets: | | \$162,500 |



Application Process Overview

| E-rate Step | Suggested Timeline |
|--|------------------------------|
| 1) Bid All New Services/Equipment – Form 470 | July 2020 – early January |
| > <i>Update School/Library Profile in EPC</i> | Oct 2020 – early January |
| 2) Bid Evaluation/Sign Contracts | January/February |
| 3) Request E-rate Funding – Form 471 (annually) | February – March 25? |
| 4) Application Review – PIA | April - August |
| 5) Funding Commitment – FCDL | April - August |
| 6) Turn-On Funding/CIPA Compliance – Form 486 | FCDL receipt – October 28 |
| 7) Receive Services | July 1, 2021 – June 30, 2022 |
| 8) Submit Invoice to USAC – Form 472 BEAR -- if not receiving discounted bills -- vendor submits Form 474 to USAC if they are providing discounted bills | October 28, 2022 (deadline) |

FY 2021 Application Cycle

- Funding years named for the year in which they begin
 - FY 2021 = July 1, 2021 – June 30, 2022
 - Application process begins 6-10 months ahead of start of next funding year

FUNDING YEAR 2021 APPLICATION CYCLE

| Form | Description | FY 2021 - Non-Recurring Services/Equipment Purchases - April 1, 2021 - Sept 30, 2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------|---|--|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|----------|-----------|----------|----------|----------|----------|
| | | FY 2021 - Recurring Services - July 1, 2021 - June 30, 2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Sept 2020 | Oct 2020 | Nov 2020 | Dec 2020 | Jan 2021 | Feb 2021 | Mar 2021 | Apr 2021 | May 2021 | June 2021 | July 2021 | Aug 2021 | Sept 2021 | Oct 2021 | Nov 2021 | Dec 2021 | Jan 2022 | Feb 2022 | Mar 2022 | Apr 2022 | May 2022 | June 2022 | July 2022 | Aug 2022 | Sept 2022 | Oct 2022 | Nov 2022 | Dec 2022 | Jan 2023 |
| 470 | Competitive Bidding Window (min. 29 days) | July 1, 2020 - February xx?, 2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AW | Administrative Window (EPC Profile Updates) | Oct 1 - Jan xx, 2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Newly Signed Vendor Contracts Uploaded to EPC | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 471 | Funding Request Application Window | Jan 15 - Mar xx?, 2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PIA/FCDL | PIA Review/Funding Decision Letters (FCDL) Issued | Apr 2021 - Sept 2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 486 | CIPA Certification/Turn on Funding | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 472 | BEAR Deadline - Recurring Services | | | | | | | | | | | | | | | | | | | | | | | | | | | Oct 28 | | |
| | BEAR Deadline - Non-Recurring Services | | | | | | | | | | | | | | | | | | | | | | | | | | | | Jan 28 | |

What Should You Be Doing Now?

- Are you on Julie's E-rate **listserve**?
- Have you set up new **One Portal** account with MFA?
- **FY 2020:**
 - If you've been funded for FY 2020, have you filed your Form 486?
 - If you haven't yet been funded, be watching for PIA questions or FCDL
 - Then file 486 after funded
- **FY 2021: Category 1:**
 - Review existing C1 contracts to see if they expire June 2021
 - If so, determine if you want to increase bandwidth and post 470 to bid the services
- **FY 2021: Category 2:**
 - Determine if library needs any C2 equipment between April 1, 2021 – Sept 30, 2022
 - If so, post 470 between now and January
 - Then wait at least 28 days before signing contract
 - File Form 471 during application window Jan – Mar
- **Confused?** Attend a more in depth beginners' session!

Resources

- www.e-ratepa.org
 - Helpful Documents: http://e-ratepa.org/?page_id=754
 - Training: http://e-ratepa.org/?page_id=745
 - Start here: http://e-ratepa.org/?page_id=747
- <https://www.usac.org/e-rate/>
 - One Portal/EPC: <https://forms.universalservice.org/portal/login>