

# E-rate Made Easy!

## A Primer for PA Libraries



Presented by Julie Tritt Schell  
PA E-rate Coordinator  
for the Pennsylvania Department of Education  
Fall 2020

# What is E-rate?

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- \$3.9 billion federal program under FCC
  - Funding does not come from federal budget
  - Administered by USAC
- Public libraries eligible for LSTA funding are eligible to apply
  - Includes bookmobiles
- Provides 20-90% discounts on eligible services and equipment
  - Category 1 – services TO the library
  - Category 2 – equipment INSIDE the library
- Bedrock principles:
  - All equipment and services must be competitively bid on USAC website for at least 28 days
  - Applicants MUST pay their non-discounted share (cannot be waived)
    - For example, if your discount is 60%, you must pay 40%
- Application process begins 6-12 months before funding year begins
- Every applicant has a “Billed Entity Number” – BEN
  - Every building has an “Entity Number”

# E-rate Classifications for Various Libraries

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## 3 different types of library BENs

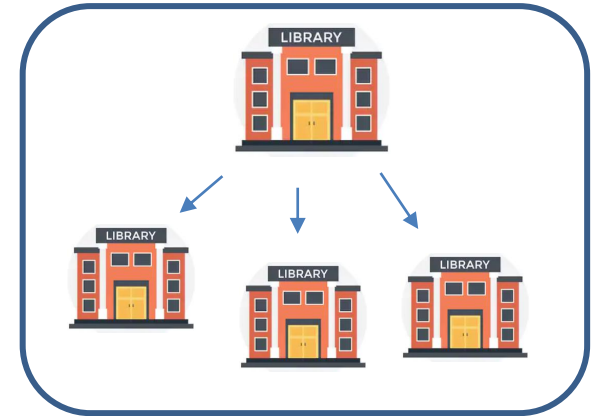
### 1. Independent Library

- 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

# EPC = E-rate Productivity Center

- Account and application management portal
- Almost all E-rate forms, letters and interactions are based in EPC
- Every “Billed Entity” has an EPC Portal Account
- Every EPC Account has “Users”
  - One of the Users is the Account Administrator (AA)
    - Only AA can create new Users for their organization
- Log in through **One Portal** which requires multi-factor authentication
- Call USAC at 888-203-8100 for EPC assistance

News Tasks (2) Records Reports Actions

## My Consultant Landing Page

Universal Service Administrative Co.

Welcome, [Tritt Schell Consulting Services!](#)

[Funding Request Report](#) | [FCC Form 470](#) | [FCC Form 471](#) | [FCC Form 486](#) | [FCC Form 500](#) | [SPIN Change](#) | [Appeal](#) | [Service Substitution](#) | [Manage Organization](#) | [USAC Website](#) | [Contact Us](#) | [Help](#)

[Pending Inquiries](#)

### Notifications

Notification Type:

Funding Year:

Status:  All  Generated  Not Generated

Notification	Description	Issued Date	Generated By	Generated On
No items available				

# Library Discount Calculations

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- ‘Discount Matrix’ is used to determine discounts
  - Discount calculations performed automatically and rarely change from year to year
- **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
- **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

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## 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%

# How Does USAC Obtain Enrollment & NSLP Data?

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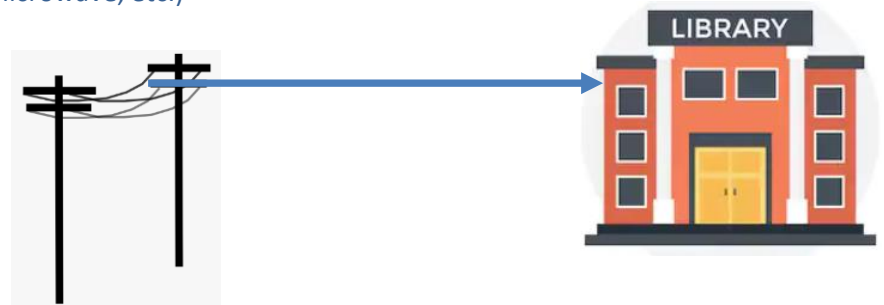
- Short answer: Each school district updates their schools' EPC profiles annually during an "Admin Window"
- Libraries do not enter enrollment/NSLP data
  - EPC linked to school district in which the library (or main library in a system) is located
  - Libraries just update square footage data during Admin Window
- Admin Windows are typically open from October 1 – 1<sup>st</sup> week in January
  - For Funding Year 2021, Admin Window will open Monday, October 19 because of 2<sup>nd</sup> FY 2020 Category 1 application window

# Categories of Service

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

- Subcategories:
  - Data Transmission Services (lit and dark fiber, microwave, etc.)
  - Internet Access
  - Installation charges
- Maximum discount is 90%
- No E-rate funding caps
- No off-campus services are eligible
- Must be delivered during 12 months of funding year (July - June)



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

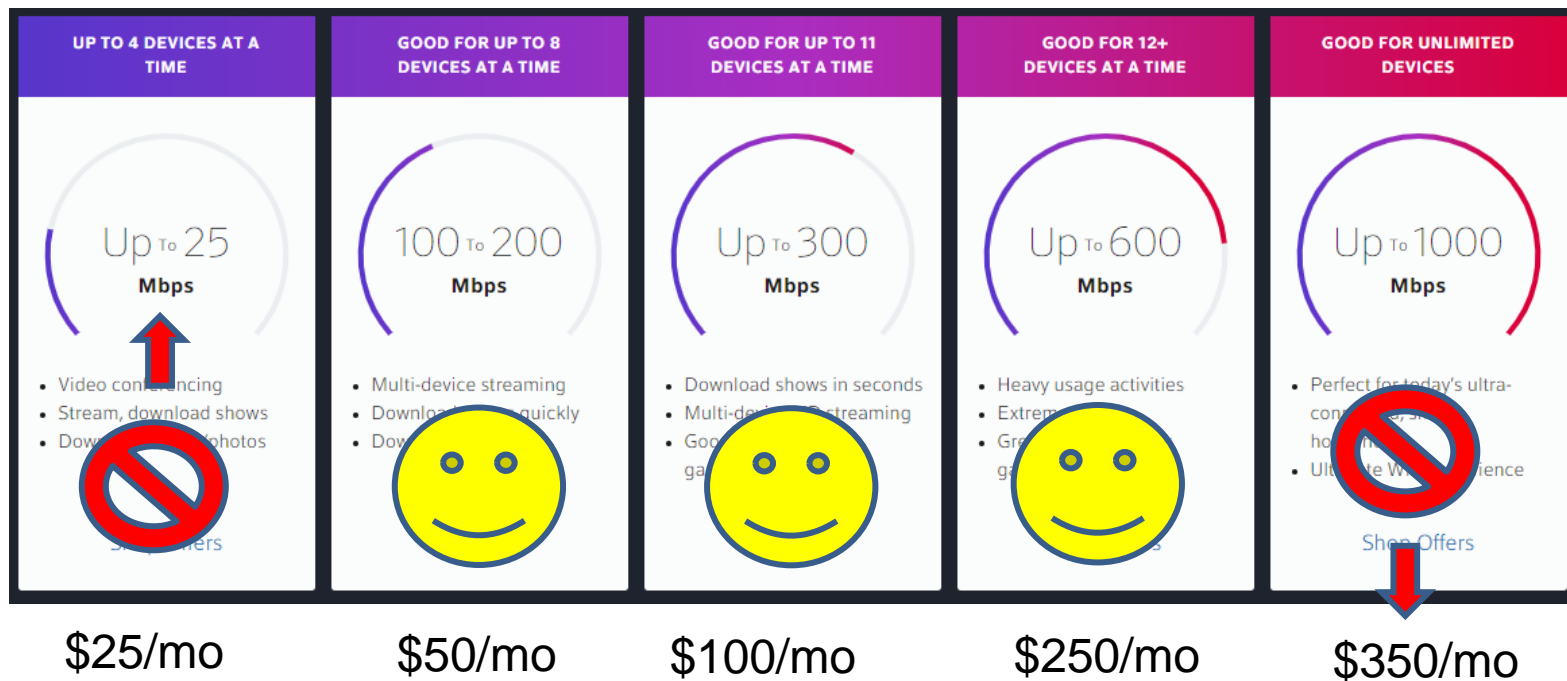
- Subcategories:
  - Internal Connections (routers, switches, WAPs, wireless controllers, firewalls, UPSs, racks, caching servers, wiring, installation)
  - Basic Maintenance of Internal Connections
  - Managed Internal Broadband Services (MIBS)
- Maximum discount is 85%
- Subject to 5-year E-rate funding caps
- Can purchase over 18 months (April 1 – Sept 30)





# Commercially Available Internet Bundles

- “**Commercially Available**” Internet packages that cost less than \$300 per month, per building (pre-discount) can be purchased without competitive bidding
  - Cost must be based per building and cannot be averaged across multiple buildings
  - Minimum speed must be 100 mbps downstream and 10 mbps upstream
  - **Note: This is mostly geared toward small libraries using cable modem/DSL services**



# Category 2, 5-Year Funding Caps

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Each billed entity's Category 2 E-rate funding has a 5-year cap (FY 2021 – FY 2025), using this formula:

## Single, Independent Libraries:

- **\$4.50** x square feet
- Minimum/building = \$25,000
  - Whichever total budget is greater

## Library Systems:

- **\$4.50** x total square feet of all libraries in system
- Minimum/building = \$25,000 x total number of libraries in system
  - Whichever total budget is greater

- **Hybrid C2 budget calculation for systems with 10 or fewer libraries:** Calculate by library building and take the higher amount (\$25,000, or square feet \* \$4.50) from each library and add together
- C2 budgets are **pre-discount**
  - Applicants' E-rate discounts then apply
- Equipment can be **transferred** between libraries of a system, but not between consortium members

# Category 2 Funding Budget Example

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

\* 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 their 40% non-discounted share

## What is YOUR 5-Year Category 2 Budget Cap?

- List available at: <http://e-ratepa.org/?p=32602>

# The Application Process



# 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
470	Competitive Bidding Window (min. 29 days)	July 1, 2020 - Mid February 2021																											
AW	Administrative Window (EPC Profile Updates)	Oct 19 - Early Jan. 2021																											
	Newly Signed Vendor Contracts Uploaded to EPC					Mid Jan - Late Mar. 2021																							
471	Funding Request Application Window					Mid Jan - Late Mar. 2021																							
PIA/FCDL	PIA Review/Funding Decision Letters (FCDL) Issued								April 2021 - Sept 1, 2021																				
486	CIPA Certification/Turn on Funding																												
472	BEAR Deadline - Recurring Services																										Oct 28		
	BEAR Deadline - Non-Recurring Services																										Jan 28		



# Step 1: Assess Need & Plan

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- **When?** September/October
- **Category 1:** Review existing contracts to determine when they expire
  - Extend, if options available
    - Must have documentation to vendor of request to extend
  - If contract expiring, decide if upgraded services are needed
- **Category 2:** Determine what equipment/wiring is needed for each library over 18 months of upcoming funding year
  - Research options, prepare bid-list



**Review Julie's List of Contract Expiration Dates**



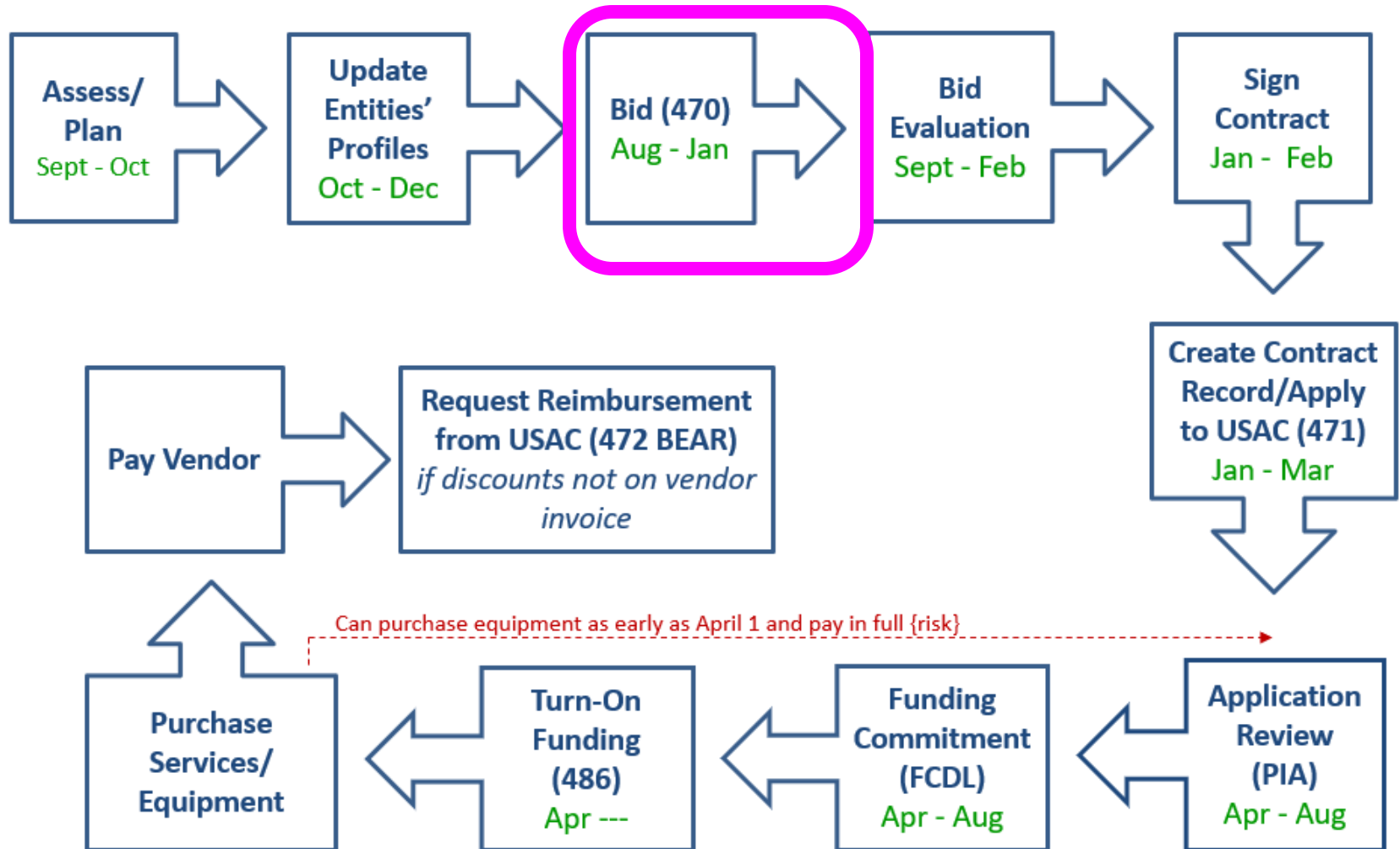


# Step 2... Update Entities' Profiles

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- **Update Entities' Profiles during Administrative Window each fall**
  - 3-months when schools must update enrollment/NSLP data for each school
  - Libraries just update square footage/address changes, if any
  - Data cannot be changed when Admin Window closes
  - Why? Libraries and consortia rely on schools' discount data to calculate their discounts
    - Their forms don't work unless data is "locked down"
- **Confirm all entities, including NIFs, are in EPC portal**
  - Contact CSB at 888-203-8100 to make entity adjustments

# Step 3... Post Form 470s



# Step 3: Posting the Form 470

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## Purpose of the Form 470

- Online form to notify vendors of services and equipment for which you are seeking proposals
- All equipment/services for which you will seek funding on the Form 471 must have been posted on a Form 470 (except Commercially Available Internet)

## Form 470s must be posted...

- Annually for all services purchased on a month-to-month (MTM) basis
- At the beginning of any new contract. If you signed a multi-year contract in a previous year, after posting a Form 470 and waiting at least 28 days, you are NOT required to post a Form 470 for the “remaining” years of that contract

## What happens during 28 day bidding period?

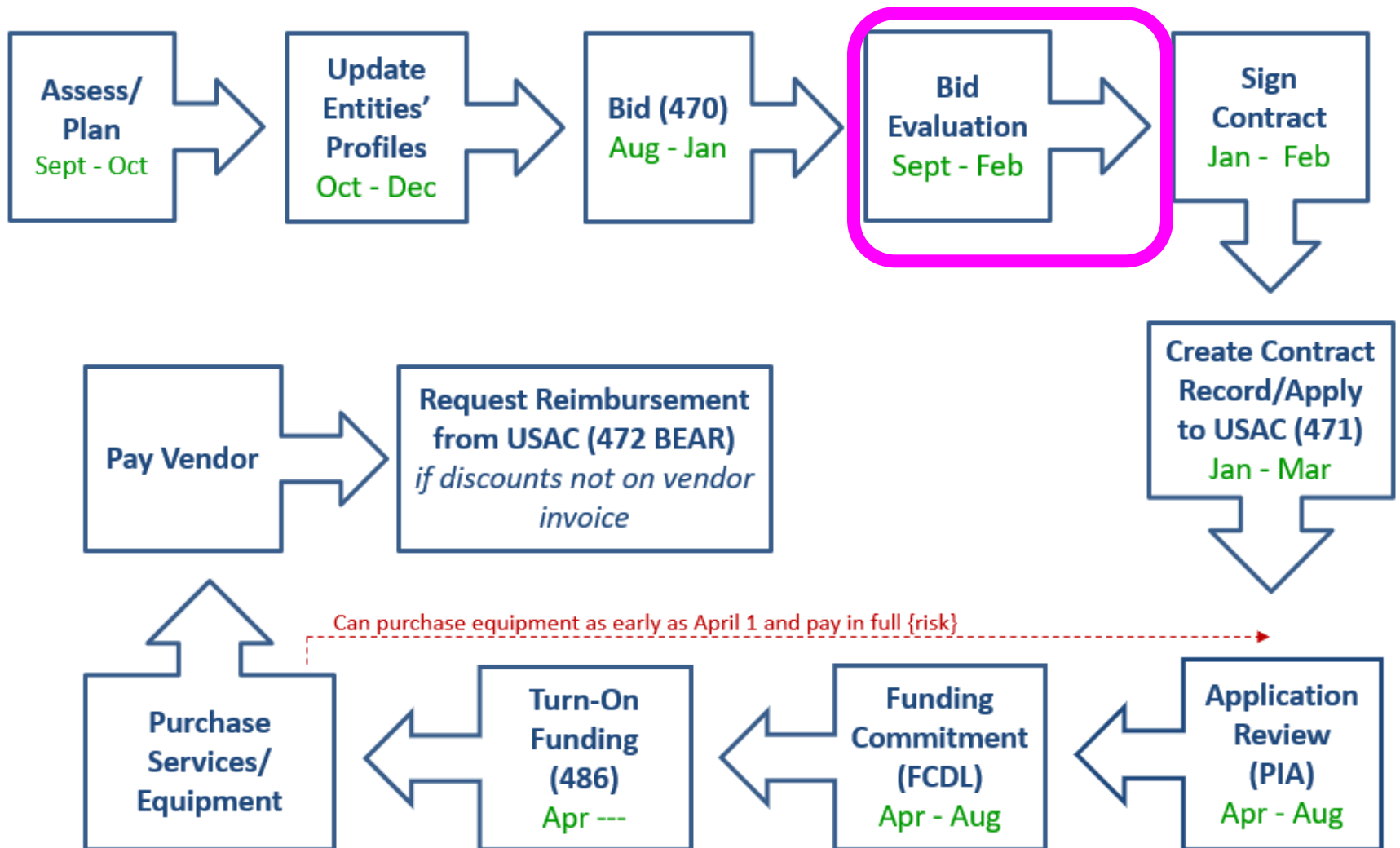
- Vendors to submit bids/price quotes directly to the applicant
- Applicants are NOT obliged to purchase any service/equipment listed on Form 470

**Deadline:** Form 470 must be available at least 29 days before the Form 471 window close

For example:

- If Form 471 deadline is March 19; therefore...
- February 19, 2021 = 470 Deadline
  - DO NOT wait this long! Gives you 1 day to evaluate bids, negotiate contracts, sign contracts, and then file the Form 471 by the 471 deadline
  - File 470 before December 1, if possible

# Step 4... Evaluating Bids



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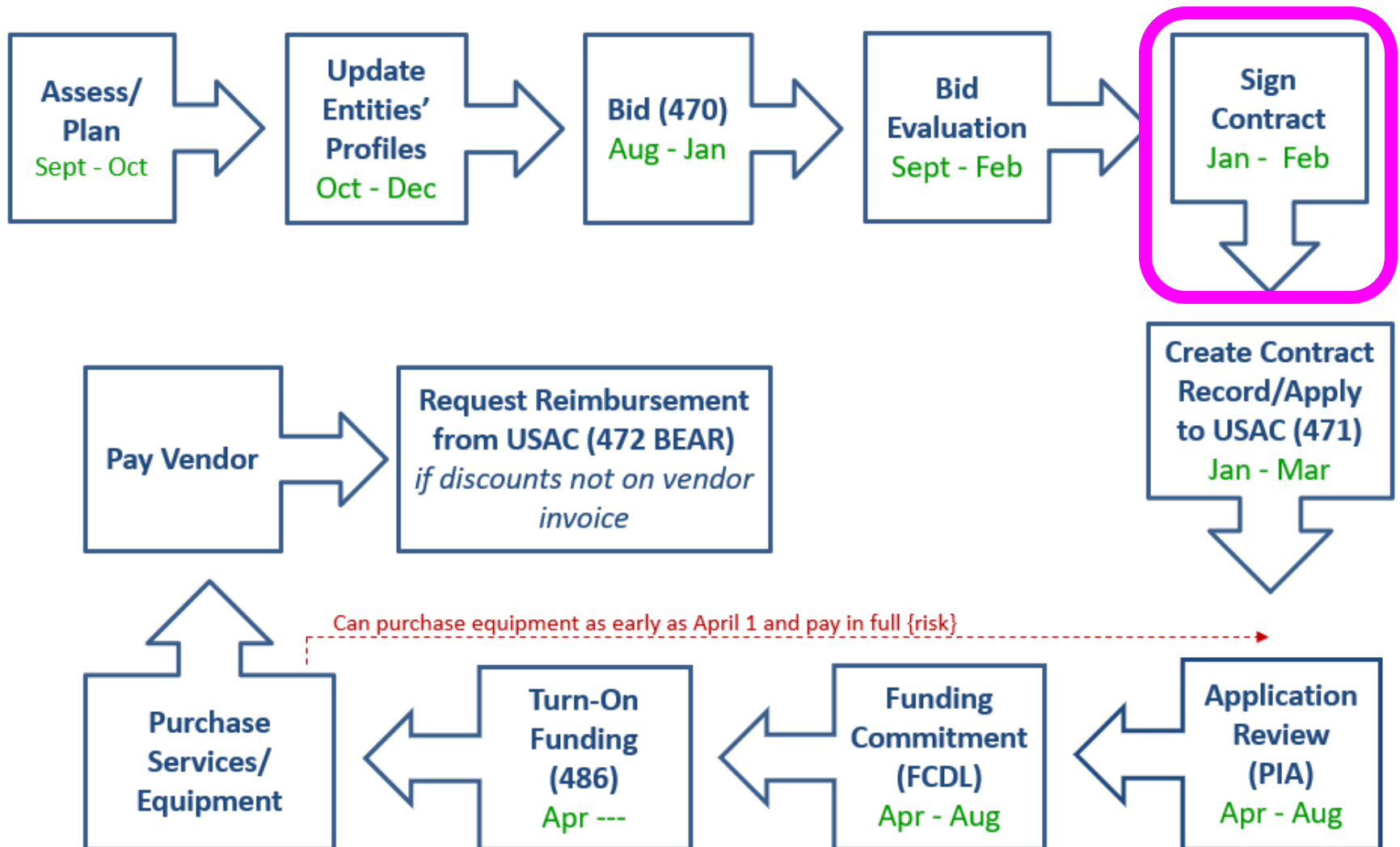
- After the bid due date (which must be at least 29 days after 470 is posted), applicant must evaluate all qualified bids received
- Must create and retain bid evaluation matrix

**Price of eligible services/equipment MUST be the most heavily weighted factor during bid evaluation**

– Examples of other evaluation criteria:

- Quality of proposed solution
  - Cost of ineligible items
  - References
  - Experience with the vendor
  - Ability to meet installation deadline
- Retain all winning and losing bids and all correspondence between applicant and all vendors (winning and losing)
  - Bids can be disqualified if DQ reason was stated in the 470 or RFP

# Step 5... Signing Contracts



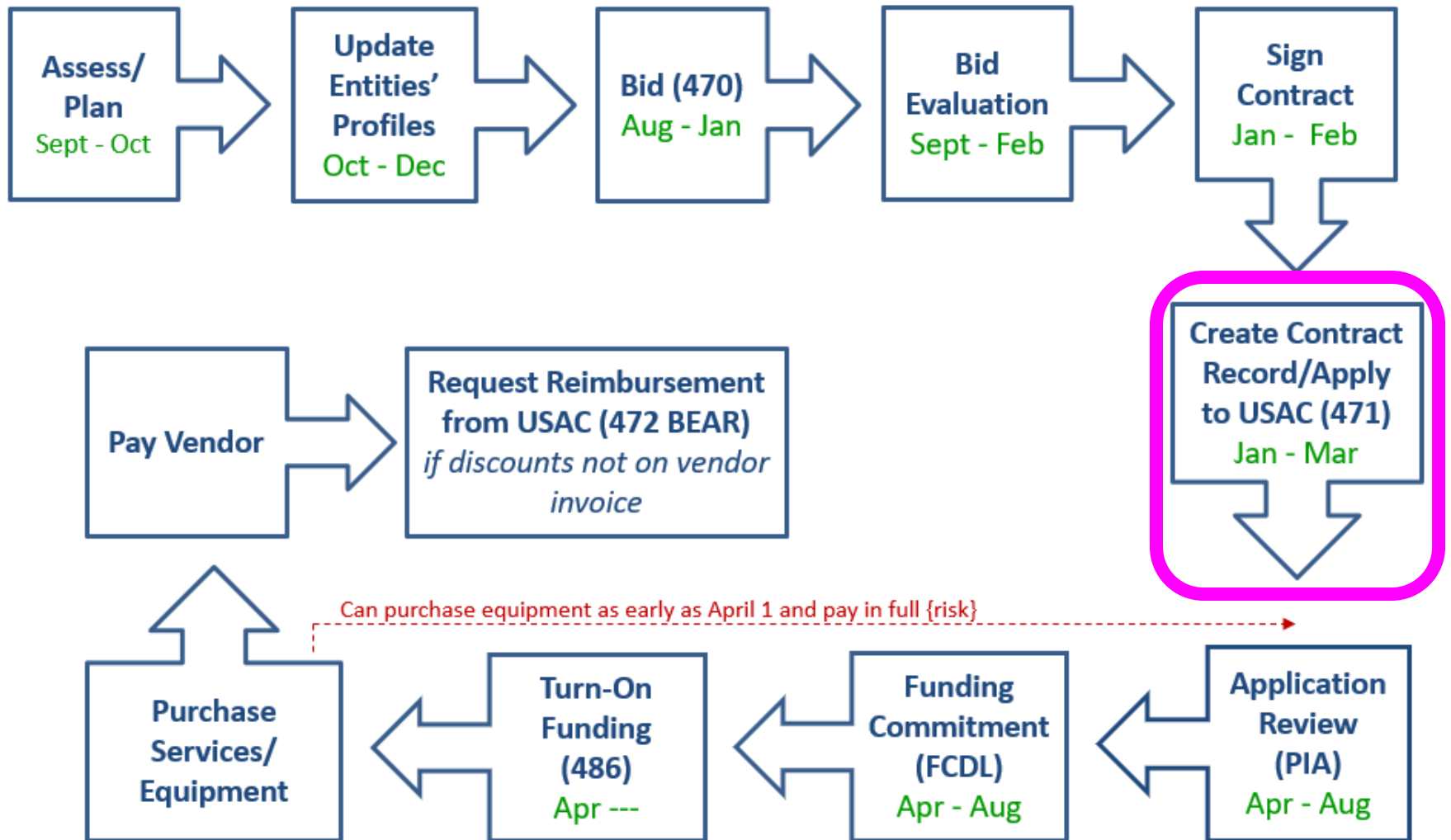
# Vendor Contracts

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- Contracts must be signed/dated by the applicant before you submit Form 471
  - Unless receiving services on month-to-month basis
  - Vendor can sign after the Form 471 deadline
- Contract tips available at: <http://e-ratepa.org/?p=32178>



# Step 6: Contract Records/Applying for Funding (Form 471)





# Step 6: Filing the Form 471

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## Purpose of the Form 471

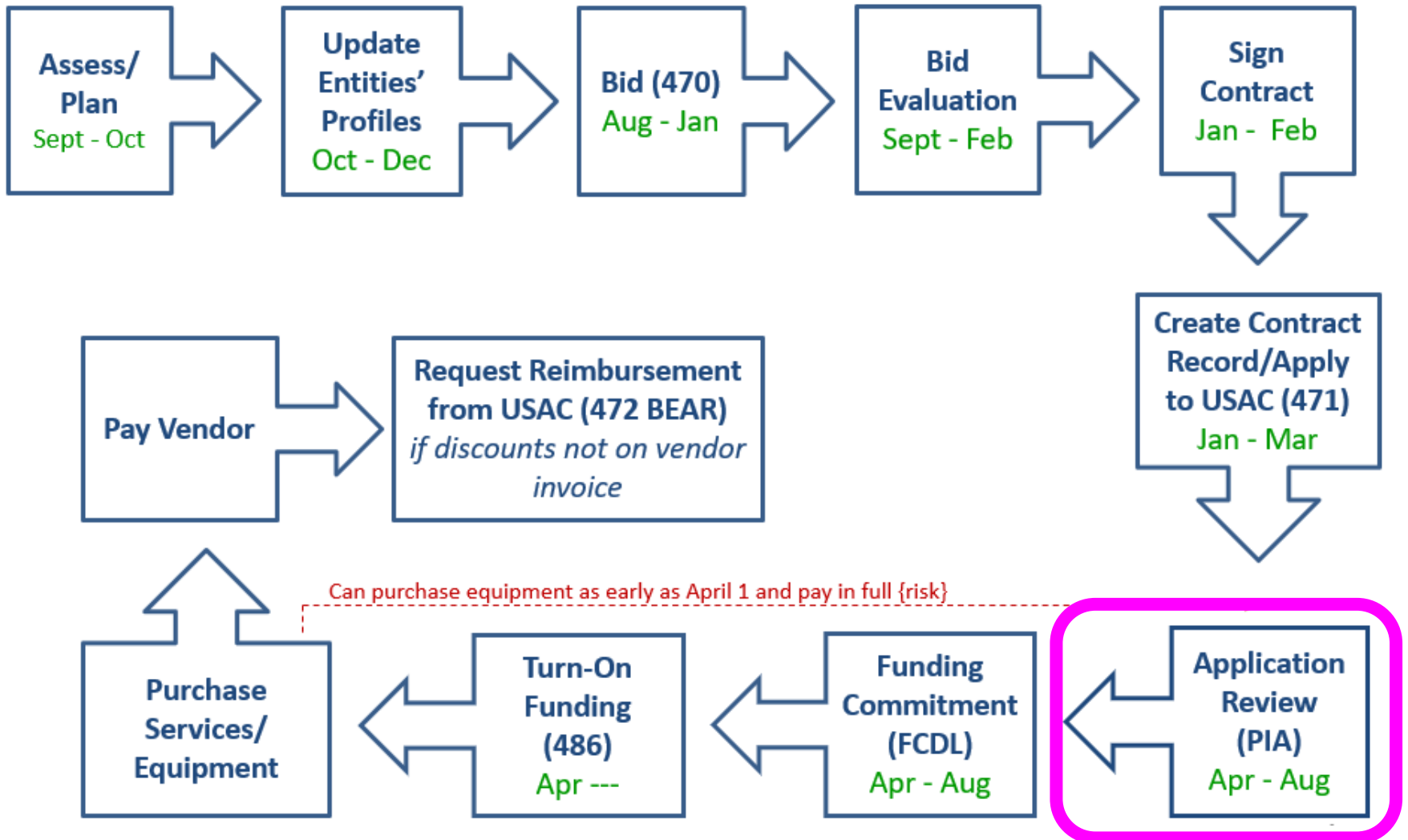
- Filed by entity that actually pays the bills (the Billed Entity)
- Formally requests E-rate funding commitments from USAC
- Must submit annual application during the “Form 471 application window” – early January – mid March



## Funding Requests

- Each separate funding request on the Form 471 is assigned a number, called a Funding Request Number (FRN)
- Each FRN is “built” by adding FRN Line Items
  - Provides details about services/equipment and which libraries receiving service
  - Links to a Contract Record(s) to show which Form 470 was used to bid services, contract signing dates, contract amounts, etc.

# Step 7: PIA Application Review



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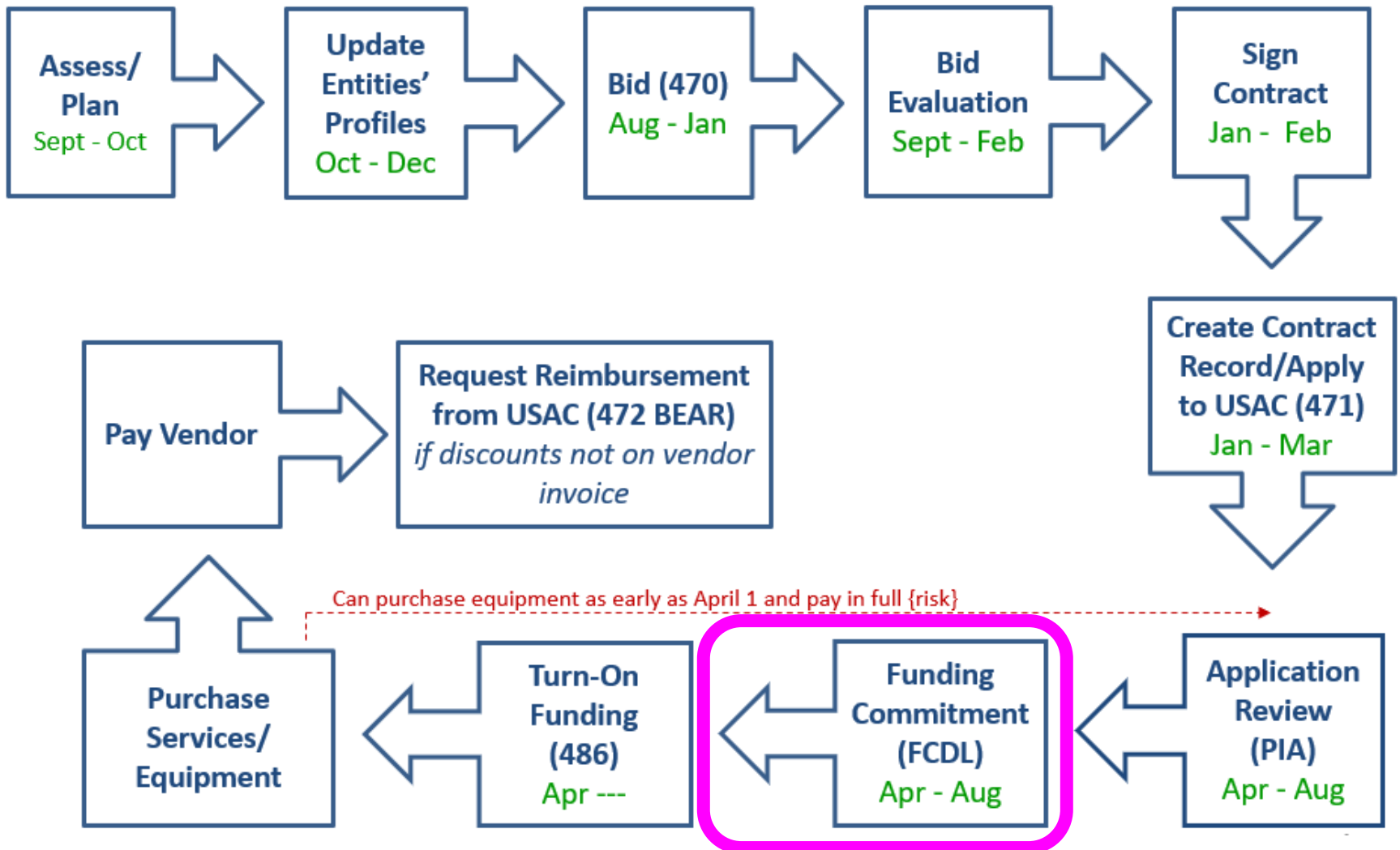
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## Program Integrity Assurance (PIA) Review

- USAC team that reviews all applications submitted within the “Form 471 Window” and makes determination on funding approval/reductions/denials
- Checks for rule compliance
  - Eligible services
  - Eligible entities
  - Appropriate discount level
  - Competitive bidding violations
  - Category 2 budget levels
- The Form 471 contact will receive an email notification that PIA questions are pending in EPC about their application
- Applicants have 15 days to respond
- PIA will notify if they intend to deny or reduce request



# Step 8: Funding Commitment Decisions



# Step 8: USAC Issues FCDL

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## FCDL = Funding Commitment Decision Letter

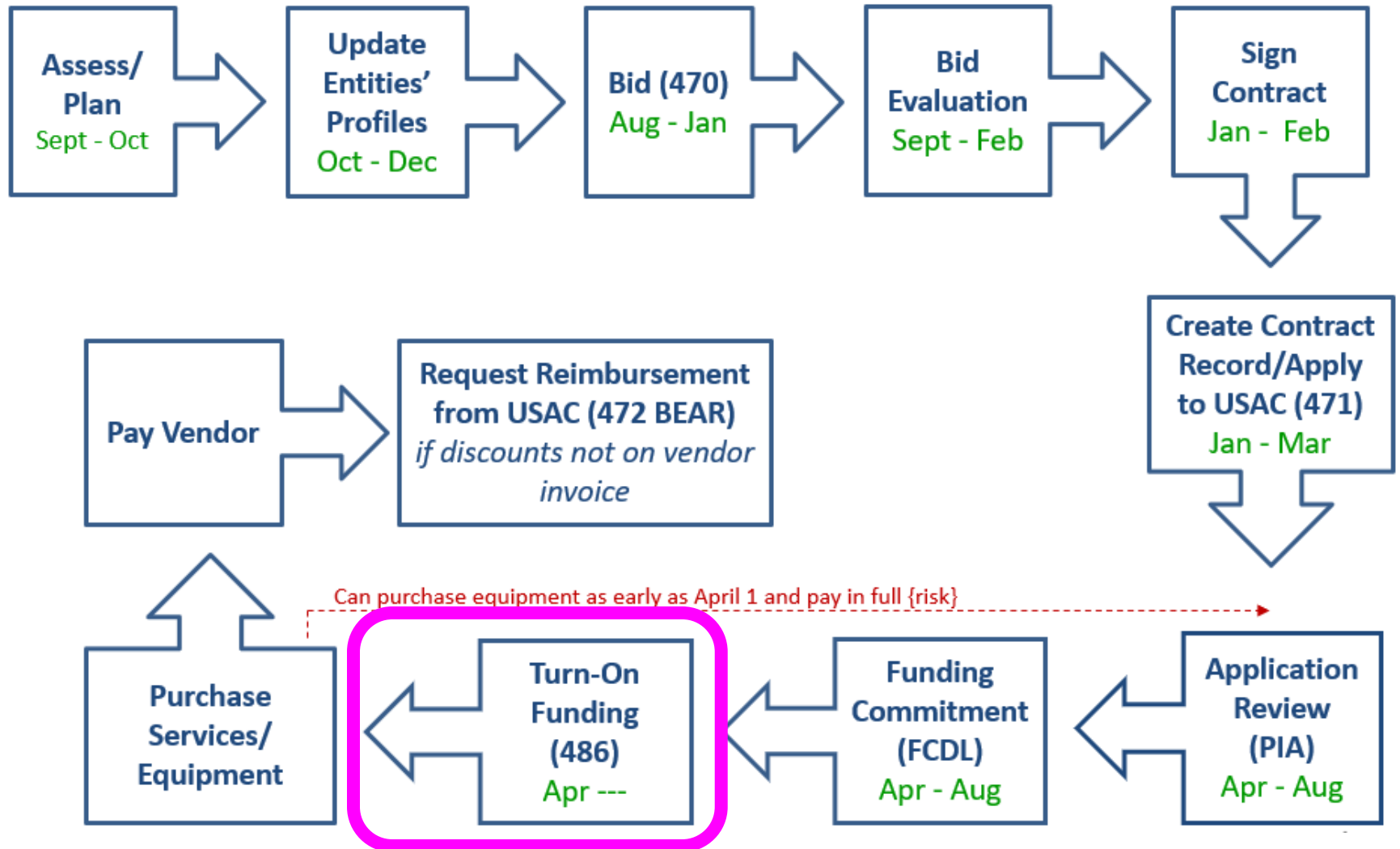
- Funding “waves” are released weekly
  - Goal is to have all “workable” applications funded by Sept 1
- FCDLs e-mailed to Form 471 contact and EPC AA
- Gives approval decisions of each funding requests (FRNs) on Form 471
- Can appeal within 60 days if you don’t agree with their decision
  - Appeal to USAC first
  - Can then appeal to the FCC if USAC denies



Watch PA E-rate listserve for weekly wave notices!



# Step 9: Filing the Form 486



# Step 9: Form 486

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## Form 486 Receipt of Services Form

- Informs the SLD that services have (or will) **start**, and
- Informs the SLD that your school or library is **CIPA** compliant
- Can only be filed after the FCDL has been issued
- Form 486 is **very** simple! Almost all data fields pre-populated

**Deadline:** 120 days after FCDL date or October 28, whichever is later



# CIPA Requirements

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Any library receiving either Internal connections or Internet access must...

- Filter all Internet access
- Have an Internet Safety Policy that addresses required elements
  - Policy must have been adopted after public hearing
- Consortium members submit Form 479 to consortium leader certifying compliance in order for consortium lead to submit Form 486

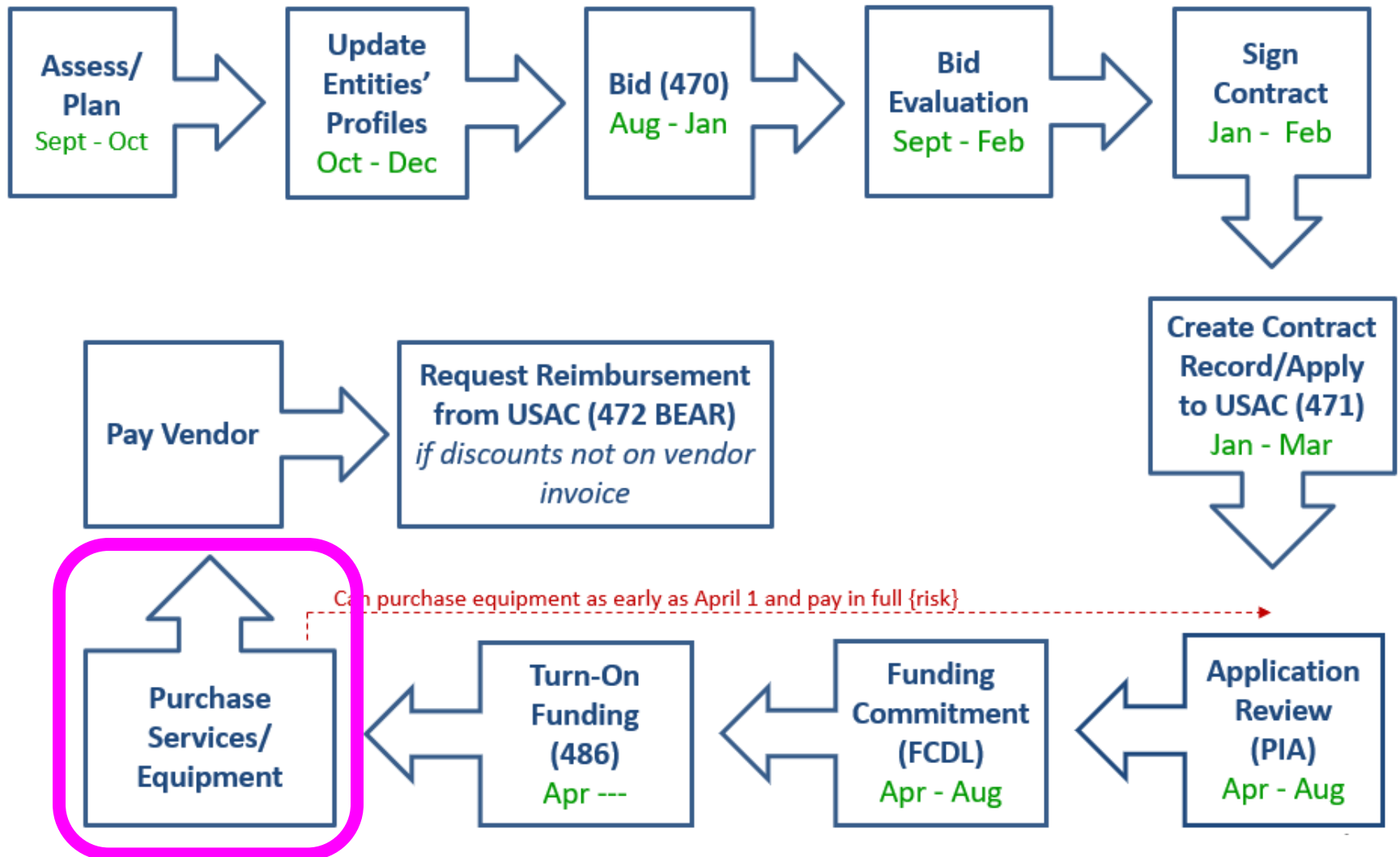


*Children's Internet  
Protection Act*

The Child Internet Protection Act



# Step 10: Receiving Services/Equipment



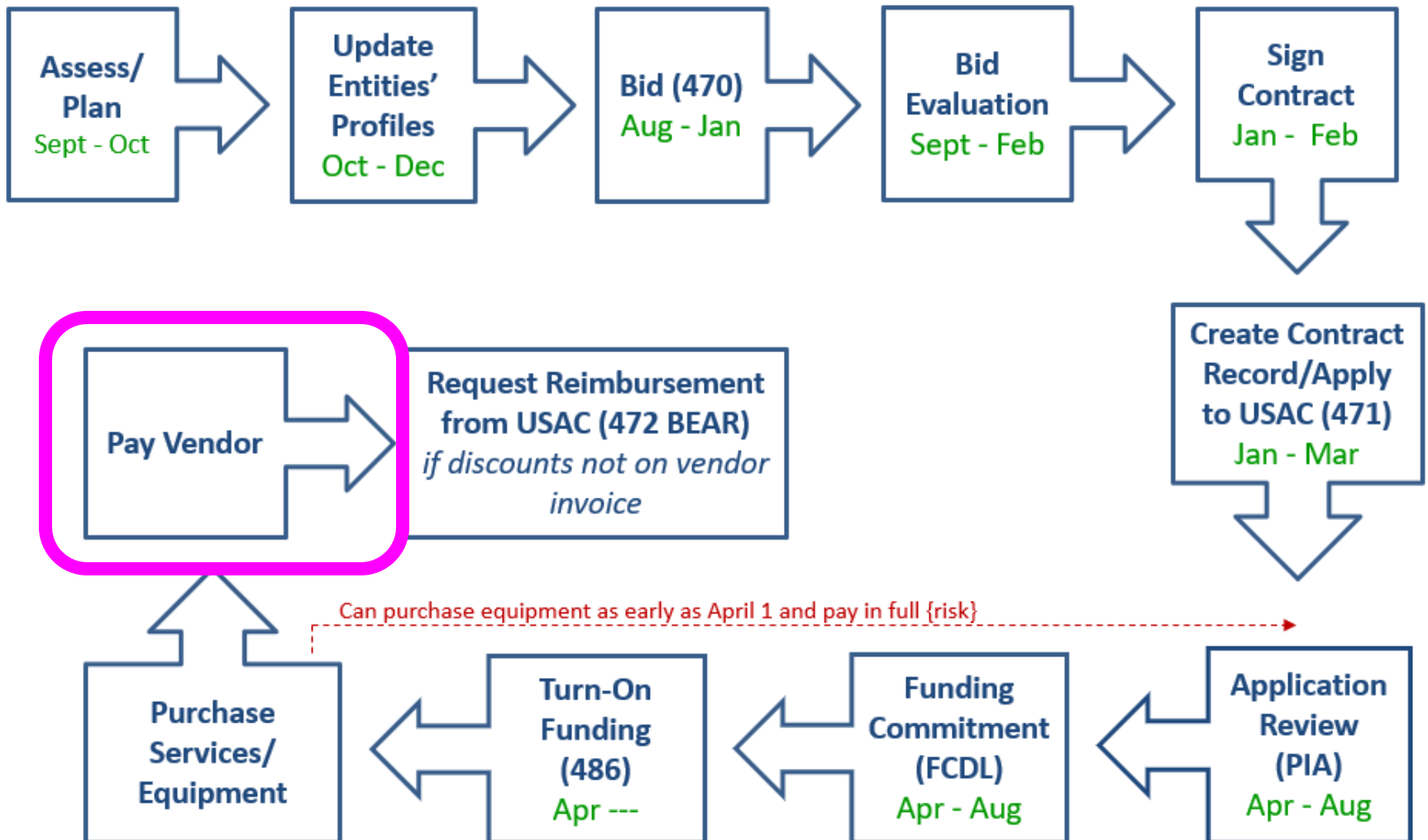
# Step 10: Receiving Services

- Services may begin on July 1, except for equipment which may be purchased as early as April 1

FUNDING YEAR 2021 APPLICATION CYCLE

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# Step 11: Paying for Services/Equipment



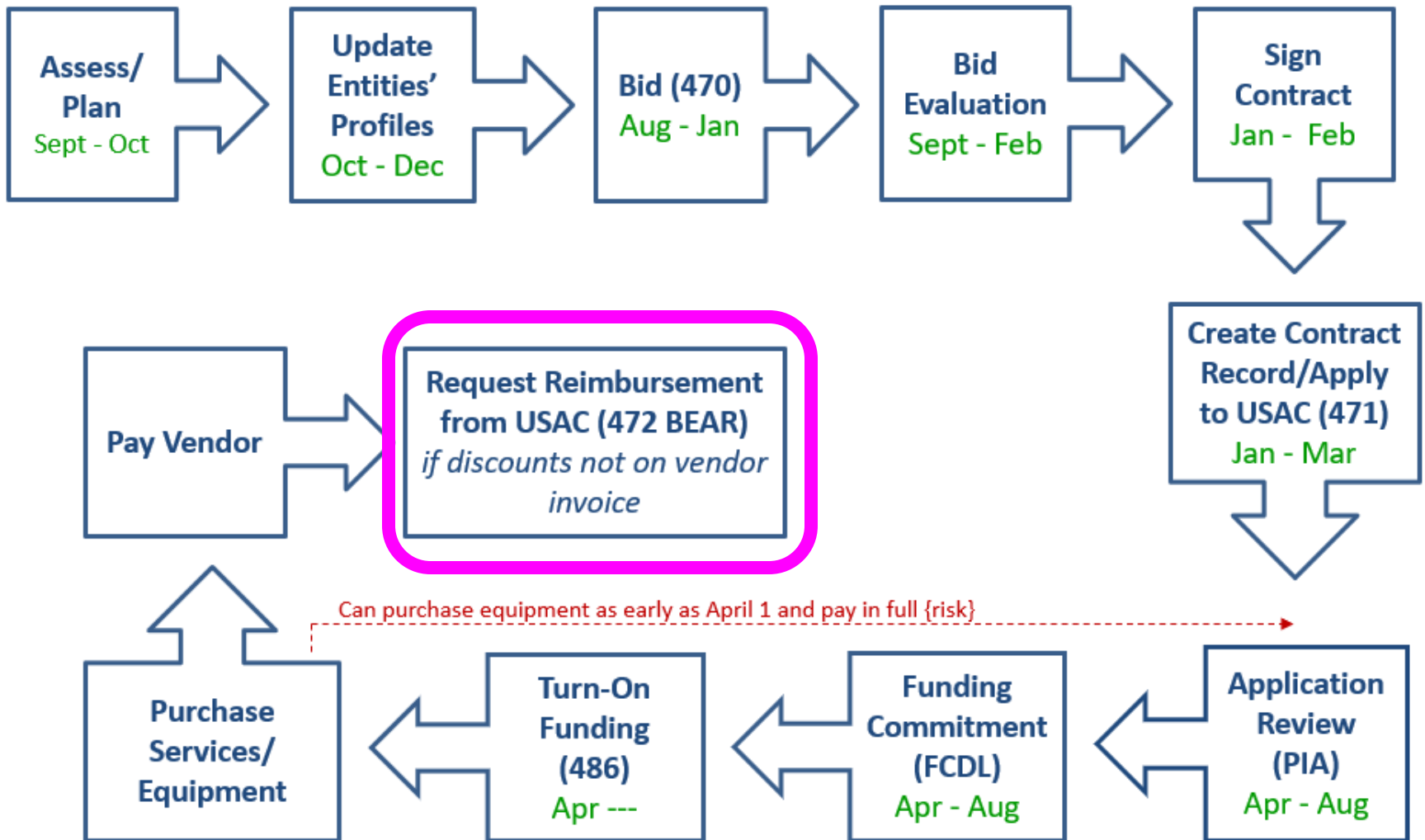
# Paying for Equipment/Services

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- Applicant's choice
  - **Discounts** on bills (vendor invoices USAC)  
*or*
  - **Reimbursement** process (applicant pays bills in full, then invoices USAC)
- Must select one or the other for entire year for each FRN
- Applicants must always pay their non-discounted share



# Step 12: Requesting Reimbursements



# Reimbursement Method - BEAR

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## Form 472 BEAR

- If applicant pays the vendor invoice in full, applicant submits Form 472 – BEAR Form to USAC for reimbursement
- Must have a PIN to file BEAR (not same as EPC password)
- USAC approves BEAR and sends payment to applicant's bank account via EFT
  - Bank account info originally submitted on Form 498

## Deadline:

- October 28 (following close of funding year) for recurring services;
- January 28 for non-recurring services/equipment

# Getting started...

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- Are you on Julie's E-rate **listserve**?
  - E-mail Julie at [jtschell@comcast.net](mailto:jtschell@comcast.net) if not
- Review E-rate Onboarding Guide
- Attend training webinars
- Get set up as an EPC User
- Subscribe to USAC's weekly newsbrief
  - Subscribe at: <https://www.usac.org/e-rate/resources/news-brief/>

# Preparing for FY 2021...

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- **FY 2021: Category 1:**
  - Review existing C1 contracts to see if they expire June 2021 or have extensions
  - If so, determine if you want to increase bandwidth and post 470 to bid the services
  - *Sign up for Category 1 training in early November*
  
- **FY 2021: Category 2:**
  - Determine if library needs any C2 equipment for next year
  - 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
  - *Sign up for Category 2 training in early November*

**Make Your FY 2021 E-rate Plan!**



# E-ratepa.org

The screenshot shows the homepage of E-rate in Pennsylvania. The main navigation bar includes the following items:

- Where To Start
- Listserve Archive
- DISCOUNT CALCULATIONS
- TRAINING & OUTREACH
- COVID-19
- PA FUNDING
- HELPFUL DOCUMENTS
- PEPPM CONTRACT
- E-RATE FILINGS

The main banner features a young girl with glasses looking at a laptop, with the text "E-rate funding In PA".

Below the banner, there are three columns of content:

- Newest Listserve Messages** (highlighted with a red circle):
  - [FY 2020, Waves 23-24 E-rate Funding Commitments Issued](#)  
October 9, 2020
  - [2nd Form 471 Window - Filing Instructions](#)  
October 8, 2020
  - [FY 2021 Rebidding Status for Category 1 FRNs](#)  
October 6, 2020
  - [FY 2020, Waves 21-22 E-rate Funding Commitments Issued](#)  
September 27, 2020
  - [USDA Grant to Provide Broadband in Rural Areas](#)  
September 24, 2020
  - [E-rate Beginners' Training Scheduled](#)  
September 24, 2020
  - [Read More Listserve Messages >](#)
- Featured** (highlighted with a green bar):
  - > [PDE](#)
  - > [SLD](#)
  - > [COVID-19](#)
  - > [Contact USAC](#)
  - > [PA E-Rate Coordinator](#)
  - > [Research Your Funding Request](#)
- New to E-rate?** (highlighted with a green bar):
  - > [Current Listserve](#)
  - > [Where to Start](#)
  - > [Register for Trainings](#)
  - > [Sign Up For Our State Listserve](#)
  - [Follow @eratepenn](#)

At the bottom right, there is a "Site tools" section with icons for various services and a link to [More Site Tools](#).

# Where to Go For E-rate Help

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- **USAC's Client Service Bureau (CSB)**
  - E-rate “Help Desk” where applicants can get answers to questions
  - Call **888-203-8100**
  - Submit a ‘Customer Service Case’ in EPC
- **PA E-rate Coordinator**
  - E-mail [jtschell@comcast.net](mailto:jtschell@comcast.net)
  - Attend webinars!
  - Read listserve messages!
  - [www.e-ratepa.org](http://www.e-ratepa.org)
    - Helpful Documents: [http://e-ratepa.org/?page\\_id=754](http://e-ratepa.org/?page_id=754)
    - Training: [http://e-ratepa.org/?page\\_id=745](http://e-ratepa.org/?page_id=745)
    - Onboarding Guide: [http://e-ratepa.org/?page\\_id=747](http://e-ratepa.org/?page_id=747)



**That's All!**  
**Any questions?**

