

E-rate Training for Beginners

Funding Year 2023

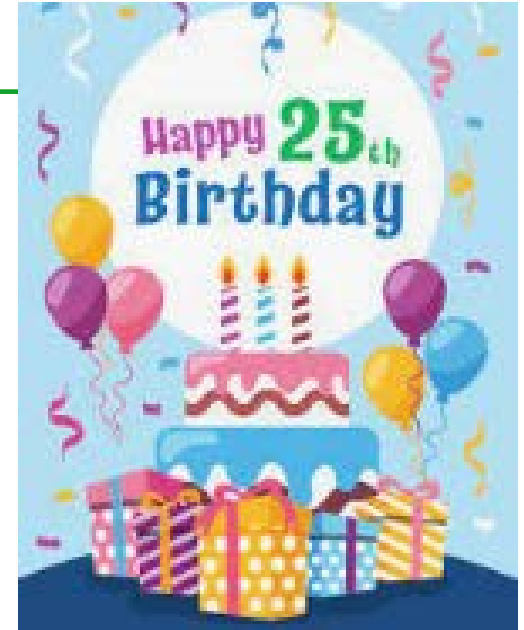
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Presented by Julie Tritt Schell
PA E-rate Coordinator
for the Pennsylvania Department of Education
February 2023

Agenda for Today

- Overview
- Eligible entities
- One Portal/EPC
- Eligible Services and Equipment
- Discount Calculations
- Category 2 Budget Calculations
- Application Process, step-by-step



- Questions taken at the end of each section. Please ask!!!
- Copy of presentation available at: http://e-ratepa.org/?page_id=745

What is E-rate?

- Annual \$3.9 billion federal program
 - Funding does not come from federal budget
- Provides 20-90% discounts on eligible services and equipment
- 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%
- FCC sets all rules and policy
 - USAC (SLD) manages the program/application process

What Schools are Eligible in PA?

- Public and non-public non-profit K-12 schools
 - Pre-k eligible (ages 3+)
 - Head Start (if operated by a public school entity)
- Consortia comprised of eligible entities
- Non-Instructional Facilities (NIFs)
 - Only eligible for broadband/internet services (not equipment)
- Every “organization” has an E-rate Billed Entity Number (BEN)
- Every “building” must have an Entity Number



E-rate Eligible Services and Equipment



Categories of Service

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

- Maximum discount is 90%
- No E-rate funding caps



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

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

Discount Calculations



Calculating School Discounts

- Discount level for schools based on 2 factors:
 - % of students – district wide - who are eligible for National School Lunch Program (**NSLP**)
 - Whether a majority of schools are considered **rural**
- Using this data, ‘Discount Matrix’ is then used to determine discounts
- Data must be updated annually in E-rate portal during “admin window”
 - System automatically calculates discounts
 - Discount Data is then be ported into E-rate application from EPC
- Admin Windows are typically open from early October – 1st week in January

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**
 - C2 budgets are *pre-discount* - applicants' E-rate discounts then apply
 - Enrollment for C2 budget can be used for entire budget cycle and doesn't have to be updated annually
 - But can update if enrollment has increased to take advantage of higher C2 budget

C2 budget multipliers:

Single Schools:

\$167 x total enrollment OR **\$25,000**, whichever total budget is greater

School Districts:

\$167 x total district enrollment, OR

\$25,000 x total number of schools in the district

– Whichever total budget is greater *

Independent Libraries:

\$4.50 x total square footage OR **\$25,000**, whichever total budget is greater

Library Systems:

\$4.50 x total square feet of all library branches OR **\$25,000**, whichever total budget is greater

* There is a special, hybrid C2 Budget Calculation by smaller school districts and library systems

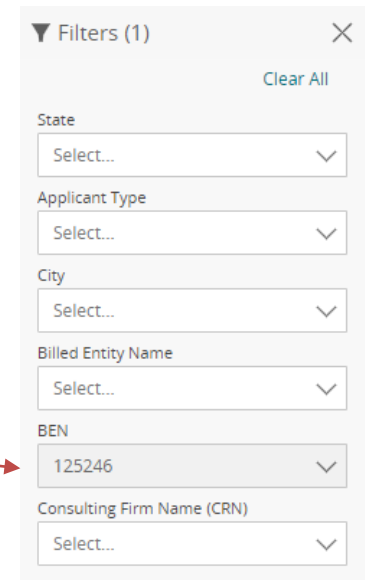
Category 2 Pre-Discount Budget

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

- 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
Select... ▾

Applicant Type
Select... ▾

City
Select... ▾

Billed Entity Name
Select... ▾

BEN
125246 ▾

Consulting Firm Name (CRN)
Select... ▾

The Application Process



Application Process Overview

| E-rate Step | Suggested Timeline |
|---|------------------------------|
| 1) Assess Needs/Create Your Plan | August - November |
| 2) Update EPC Profiles - Admin Window | Oct - early January |
| 3) Bid All New Services/Equipment – Form 470 | Now – early December |
| 4) Bid Evaluation | January/February |
| 5) Board Approval/Sign Contracts | January/February |
| 6) Request E-rate Funding – Form 471 | February – March 28 |
| 7) Application Review – PIA | April - August |
| 8) Funding Commitment – FCDL | April - August |
| 9) Turn-On Funding/CIPA Compliance – Form 486 | FCDL receipt – October 28 |
| 10) Receive Services | July 1, 2023 – June 30, 2024 |
| 11) Pay Vendor | July 1, 2023 – June 30, 2024 |
| 12) 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) |

FY 2023 Application Cycle

- Funding years named for the year in which they begin
 - FY 2022 = July 1, 2022 – June 30, 2023
 - FY 2023 = July 1, 2023 – June 30, 2024
 - Application process begins 6-10 months ahead of start of next funding year

| | | FY 2023 - Non-Recurring Services/Equipment Purchases - April 1, 2023 - Sept 30, 2024 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------|---|--|----------|----------|----------|--------------------------|----------|----------|----------------------------|----------|-----------|-----------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|----------|-----------|----------|----------|----------|----------|
| | | FY 2023 - Recurring Services - July 1, 2023 - June 30, 2024 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Form | Description | Sept 2022 | Oct 2022 | Nov 2022 | Dec 2022 | Jan 2023 | Feb 2023 | Mar 2023 | Apr 2023 | May 2023 | June 2023 | July 2023 | Aug 2023 | Sept 2023 | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 | Feb 2024 | Mar 2024 | Apr 2024 | May 2024 | June 2024 | July 2024 | Aug 2024 | Sept 2024 | Oct 2024 | Nov 2024 | Dec 2024 | Jan 2025 |
| 470 | Competitive Bidding Window (min. 29 days) | July 1, 2022 - Mid February 2023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AW | Administrative Window (EPC Profile Updates) | Early Oct - Mid Jan. 2023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Newly Signed Vendor Contracts Uploaded to EPC | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 471 | Funding Request Application Window | | | | | Mid Jan - Late Mar. 2023 | | | | | | | | | | | | | | | | | | | | | | | | |
| PIA/ FCDL | PIA Review/Funding Decision Letters (FCDL) Issued | | | | | | | | April 2023 - Sept 1, 2023 | | | | | | | | | | | | | | | | | | | | | |
| 486 | CIPA Certification/Turn on Funding | | | | | | | | April 2023 - Sept 30, 2024 | | | | | | | | | | | | | | | | | | | | | |
| 472 | BEAR Deadline - Recurring Services | | | | | | | | | | | | | | | | | | | | | | | | Oct 28 | | | | | |
| | BEAR Deadline - Non-Recurring Services | | | | | | | | | | | | | | | | | | | | | | | | | | | | Jan 28 | |

When Must You Bid a Service/Equipment?

- 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

Step 3: Posting the Form 470

Purpose of the Form 470

- Online form to notify vendors of services and equipment for which you are seeking proposals
- Vendors are invited to submit bids/price quotes for 28 days from the date of certifying your Form 470
- **RFPs** not required, except for:
 - Minimum state bidding threshold requirements for equipment (public schools)
 - All applicants seeking dark fiber or self-provisioned fiber projects
- USAC considers any bidding document provided to vendors an RFP

Public Schools Only: PEPPM for C2

- In PA, public schools may use the state PEPPM contract for Category 2 purchases
- No Form 470 is required, but PEPPM mini-bid process is required
- PEPPM bidding guide: http://e-ratepa.org/?page_id=6121



The screenshot shows the website for "E-rate in Pennsylvania". The logo is a stylized green 'E' with a blue swoosh. The navigation menu includes: Home, Where To Start, Listserve Archive, DISCOUNT CALCULATIONS, TRAINING & OUTREACH, COVID-19, PA FUNDING, HELPFUL DOCUMENTS, PEPPM CONTRACT (highlighted with a red box), and E-RATE FILINGS. Below the menu, the breadcrumb trail reads "Home » PA PEPPM Contract E-rate Information". A grey header box contains the title "PA PEPPM Contract E-rate Information". The main text reads: "For schools that choose to use the PEPPM Contract as the procurement option for their E-rate Category 2 applications, a mini-bid process must be conducted among all manufacturers that can provide that 'category' of equipment in order to meet the E-rate requirement that all equivalent product lines must be provided the opportunity to submit proposals. This page provides a comprehensive, yet simple, step-by-step guide to conducting your PEPPM Mini-Bid and I encourage everyone to review the guide before you begin." To the right of the text is a photograph of hands writing on a document with a pen.

Bidding Period/Evaluation...

During Bidding Period:

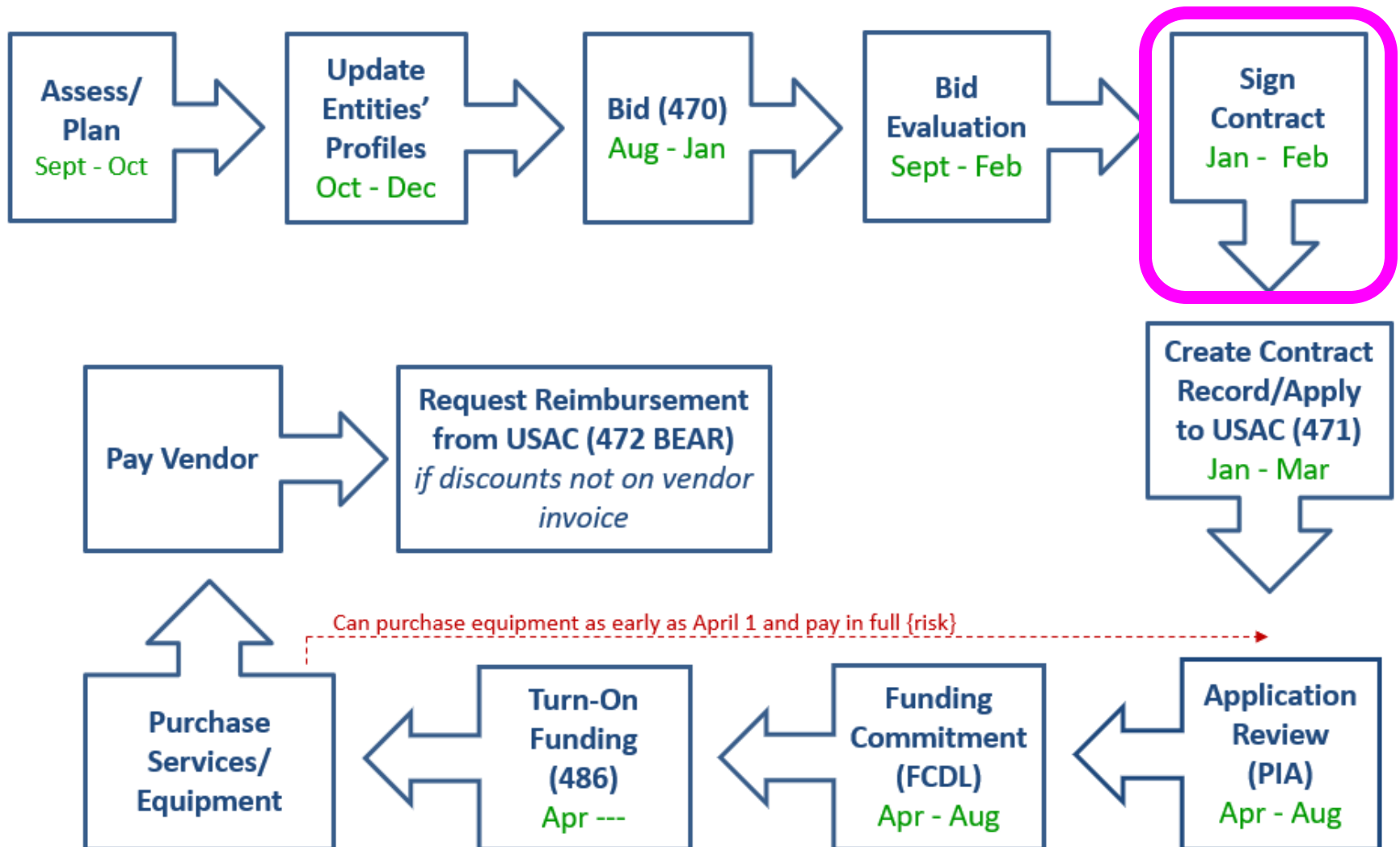
- After the Form 470 has been posted online, vendors submit proposals directly to the school or library
- Proposals must be accepted for a minimum of 28 calendar days

Bid Evaluation:

- After the bid due date (which must be at least 29 days after 470 is posted), applicant must review all qualified bids received for all services or equipment
- Must create and retain bid evaluation matrix
- In order to DQ a bid, the bid disqualification reason must have been stated in the Form 470 or in the RFP

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

Step 5... Signing Contracts

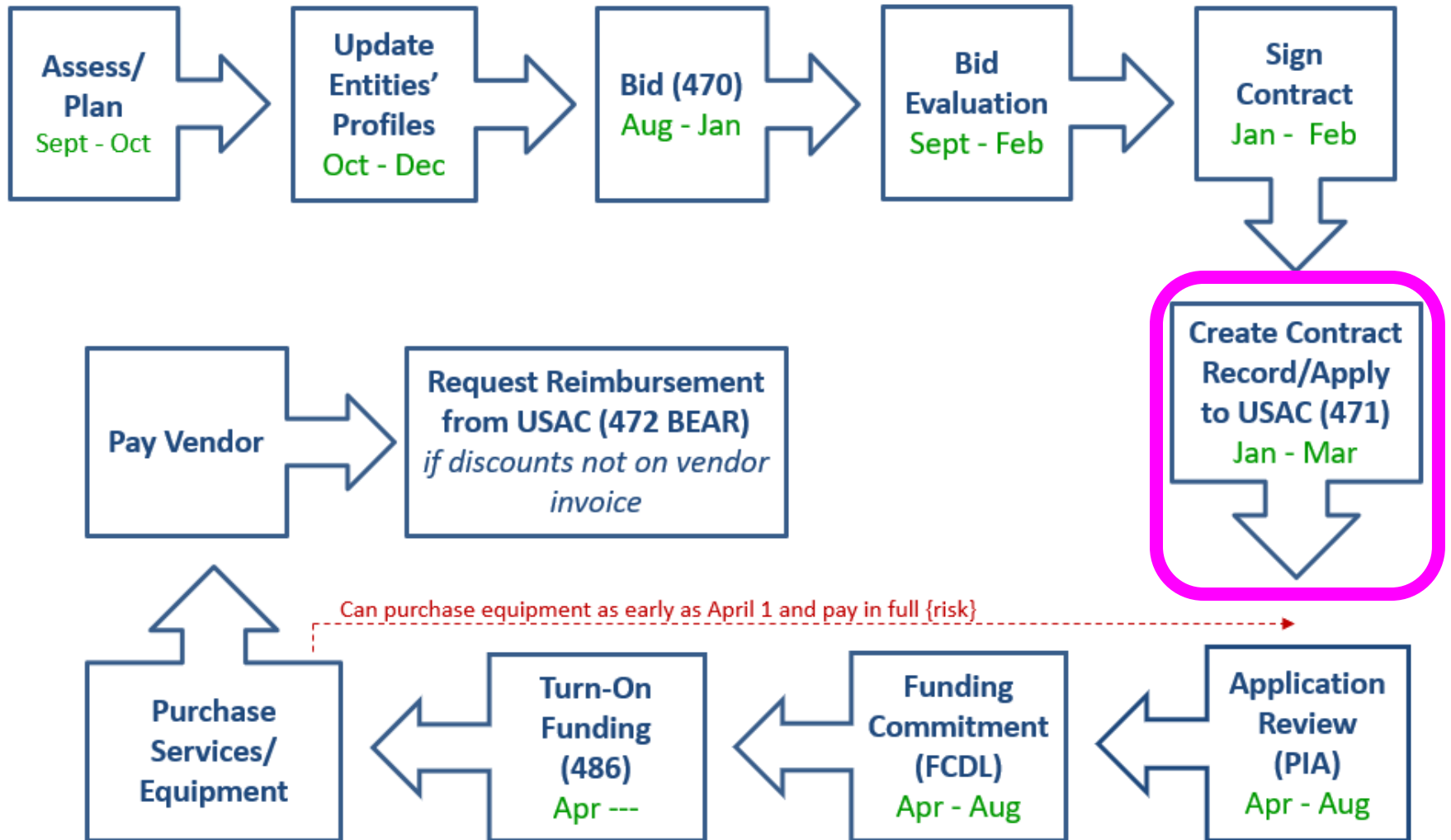


Vendor Contracts



- Contracts must be signed/dated by the applicant before you submit Form 471
- Cannot select 2 vendors to provide the same service
- If signing a new contract, must create a “Contract Record” in EPC portal prior to creating the Form 471
- If you select ‘Contract,’ you will then be asked to select from the list of your Contract Records from the Contract Module
- The Contract Record selected will then be “linked” to the Form 471 Funding Request
- All NEW contracts must be uploaded into the ‘EPC Contract Module’ before starting the Form 471
- Contract guidance available at: <http://e-ratepa.org/?p=34613>

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



Step 6: Filing the Form 471

Purpose of the Form 471

- Formally requests E-rate funding commitments from USAC
- Asks detailed questions about services/equipment
- Shows discount calculations (from EPC)
- Links to a Contract Record(s) to show which Form 470 was used to bid services, contract signing dates, contract amounts, etc.

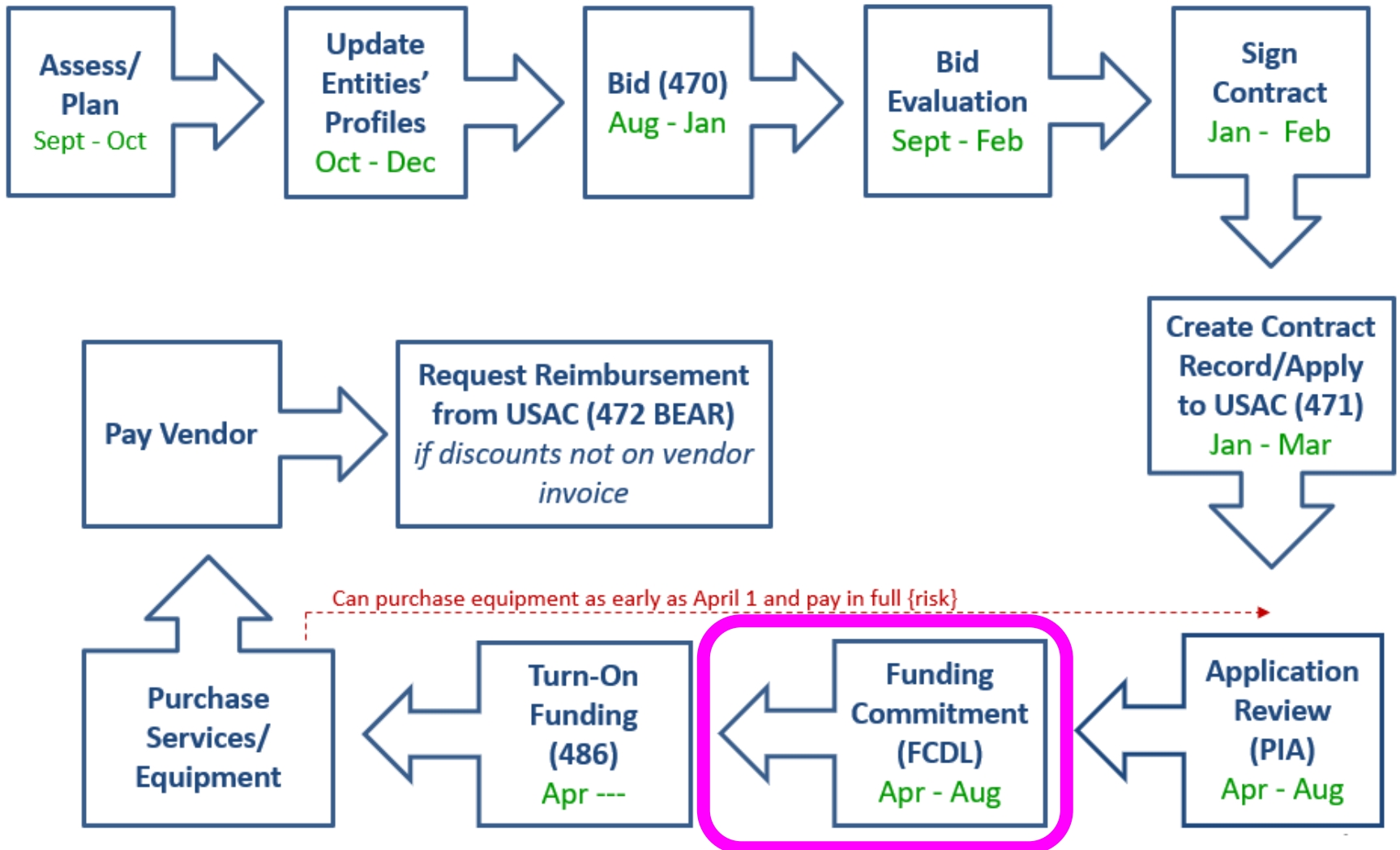
Funding Requests

- Each separate funding request is assigned a number, called a Funding Request Number (FRN)
- Each FRN is “built” by adding FRN Line Items

Application Review

- PIA team will review all applications submitted within the “Form 471 Window” and make determination on funding approval/reductions/denials

Step 8: Funding Commitment Decisions



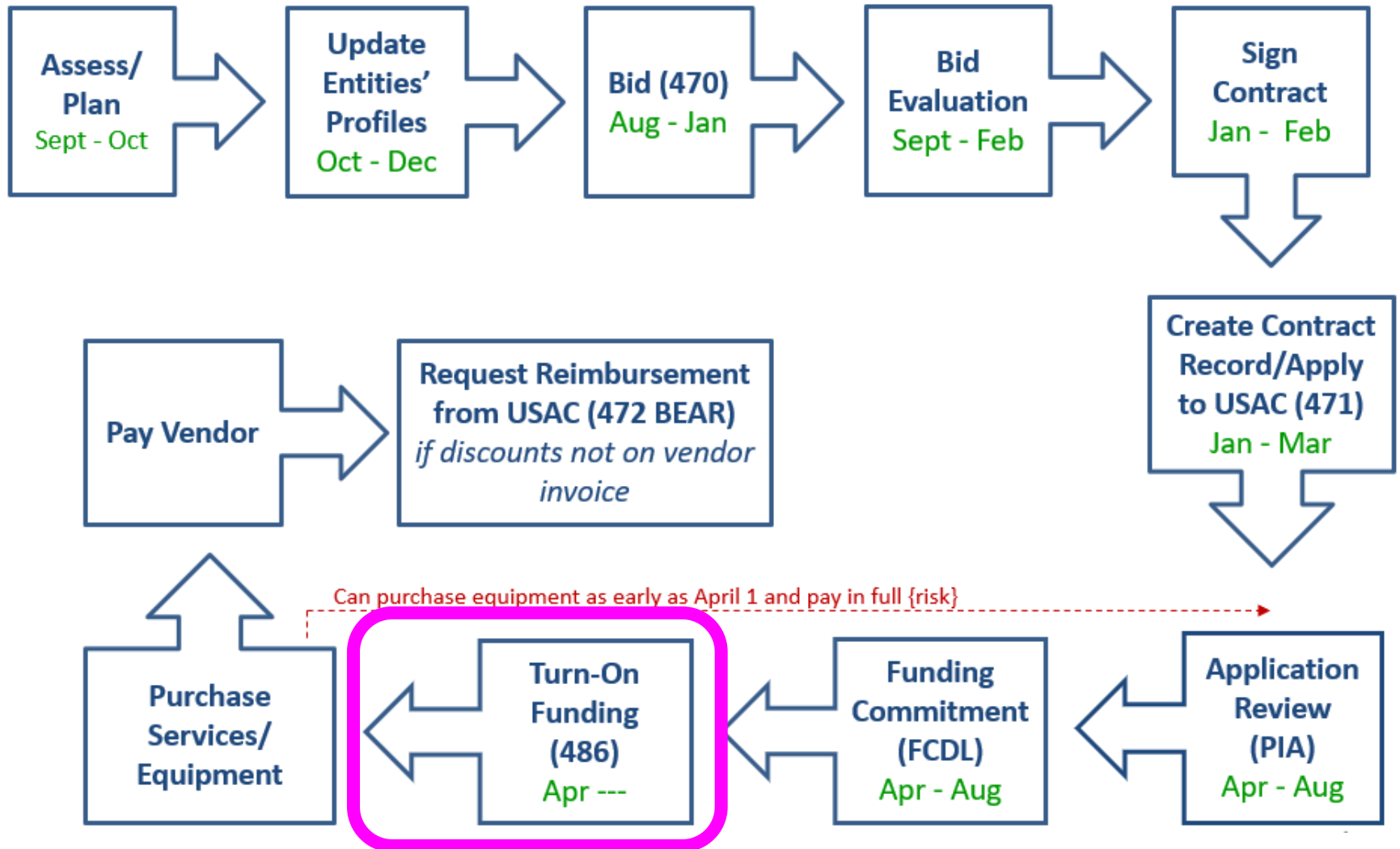
Step 8: USAC Issues FCDL

FCDL = Funding Commitment Decision Letter

- Funding “waves” are released weekly
 - Goal is to have all “workable” applications funded by Sept 1
- Gives approval decisions of each funding requests (FRNs) on Form 471
- Can appeal within 60 days if you don’t agree with their decision



Step 9: Filing the Form 486

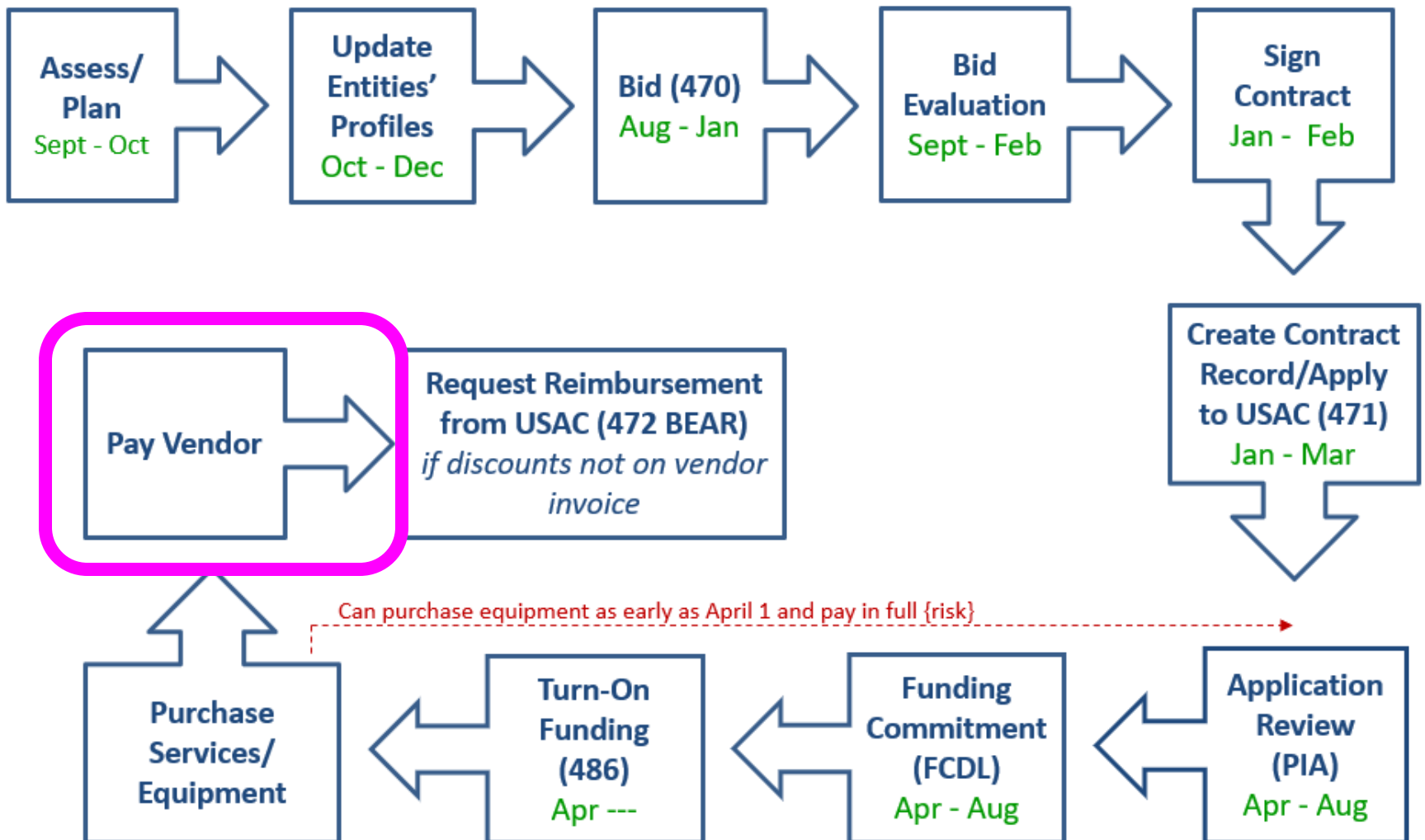


Step 9: Form 486



- After receiving FCDL, file Form 486
 - Informs the SLD that services have (or will) **start**, and
 - Informs the SLD that your school or library is **CIPA** compliant
- USAC cannot reimburse vendors or applicants until the Form 486 has been submitted and approved
- Form 486 is **very** simple! Almost all data fields pre-populated

Step 11: Paying for Services/Equipment



Paying for Equipment/Services

- 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
- If choosing **reimbursement**, applicant submits Form 472 – BEAR Form to USAC for reimbursement
- USAC approves BEAR and sends payment to applicant's bank account via EFT



Where to Go For E-rate Help

- **USAC's Client Service Bureau (CSB)**

- E-rate “Help Desk” where applicant & service providers 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
- Attend webinars!
- Read listserve messages!
- www.e-ratepa.org
 - **Helpful Documents:** http://e-ratepa.org/?page_id=754
 - **Training:** http://e-ratepa.org/?page_id=745



That's All!

Any questions?

The screenshot shows the homepage of the E-rate in Pennsylvania website. The header features the logo and navigation links for 'What is E-rate' and 'Listserve Archive'. A main navigation bar includes links for 'DISCOUNT CALCULATIONS', 'TRAINING & OUTREACH', 'E-RATE 2.0', 'PA FUNDING', 'HELPFUL DOCUMENTS', 'MASTER CONTRACTS', and 'E-RATE FILINGS'. A large banner image with the text 'Need E-rate training?' is prominent. Below the banner, there are three columns of content: 'Newest Listserve Messages' with several entries, 'Featured' with links to PDE, SLD, E-Rate 2.0, Contact USAC, PA E-Rate Coordinator, and Research Your Funding Request; and 'New to E-rate?' with links to Current Listserve, E-Rate 2.0, Register for Trainings, What is E-rate?, Sign Up For Our State Listserve, and a Follow @development button. A 'Site tools' section is also present. The footer contains a list of navigation links and a home button.

The screenshot shows the E-Rate page on the Universal Service Administrative Co. website. The header includes the logo and navigation links for 'Subscribe', 'Payments', 'Open Data', and 'Sign In'. A main navigation bar includes links for 'About', 'E-Rate', 'Rural Health Care', 'Lifeline', 'High Cost', and 'Service Providers'. A large banner image with the text 'E-Rate Ensuring that schools and libraries across the U.S. are connected to information and resources through the internet' is prominent. Below the banner, there are three columns of content: 'Manage Your Account' with a 'Sign In' button and text about accessing the E-Rate Productivity Center (EPC) account; 'Resources' with links to Eligible Services List, Tools, E-Rate News Brief, Webinars, and Announcements; and 'Upcoming Dates' with a link to the FY2022 Application Filing Window and text about the window closing on March 22, 2022 at 11:59:59 p.m. EDT.