E-rate Training Workshop for Veteran PA Applicants

What's New for FY 2015

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While You're Waiting...

- Welcome to the E-rate Update for PA Veteran Applicants!
- If you did not sign in with your full name and school or library name, please post it to the chat box now.
- The webinar is scheduled for 1.5 hours, but please be prepared to stay until 12:30 because I expect a lot of great questions.
- You should have been asked if you want to download the presentation and the new timeline when you signed in.
  - If you didn't, Click on 'Window' then 'Show File Transfer Library' to download either document.
- Are you on the PA E-rate Listserve?
  - If not, e-mail jtschell@comcast.net.
- Have you checked out the new PA E-rate website at www.e-ratepa.org?

What's New for 2015?

Most Everything

What's New for 2015?

- Broadband and Internet goals
- Discount calculations
- Urban/rural status
- Elimination or phase-out of certain Priority 1 services *(now called Category 1)*
- Elimination and addition of certain Priority 2 equipment and services *(now called Category 2)*
- Category 2 funding caps
- Invoice deadlines
- New forms

- Presentation divided into 4 sections: Discount Calculations, Category 1, Category 2, Form Changes/Other
  - Will stop for questions after each section

5-year Internet/Broadband Goals

- Internet Goals
  - School entities: 1 Gbps Internet access per 1,000 users
  - Measurement will be at the district level for school districts and school level for schools that are not part of a district
- WAN/Broadband Goals
  - Schools: Dedicated data service *scalable* to 10 Gbps per 1,000 students
  - What does this mean? FIBER
- New Form 471 will ask if you have met these goals and if not, what are the barriers

District-Wide Discount Calculations

- All discounts for both Category 1 and Category 2 will be calculated on a district-wide simple average basis

  Formula: Total district NSLP eligible students / total district enrollment

- The district-wide NSLP% is then applied directly to the Discount Matrix (along with the urban/rural status) to determine the District's discount that will be used for all buildings
- All districts will now have a straight, district-wide discount taken directly from the discount matrix (i.e., 20, 40, 50, 60%, etc.)

District-Wide Discount Calculations

Example:

School	Rural/ Urban	Enrollment	NSLP Eligibility
Plainfield Elementary	R	50	45
Jacksonville Middle School	U	105	43
Newville High School	R	275	116
Total	**R**	**430**	**204**

204/430 = 47.4% NSLP eligibility

Discount Matrix for Rural 35% - 49% NSLP Eligible = 70%

District-Wide Discount for All Schools = 70%

New Urban/Rural Definition

- 2010 U.S. Census classifications will be used instead of counties
- Urban applicants are those with addresses in an "urbanized area" or "urban cluster"
  - Urbanized areas have populations of 50,000 or more
  - Urban clusters have populations between 2,500 – 50,000
- All areas that are not considered "urban" are classified as rural
- Rural/urban status of majority of buildings (physical addresses) will be used for entire district
- List on PA E-rate website under '2.0'
  - List by zip code should be posted soon
- USAC will have a tool on their website to help you determine status and the new Form 471 will automatically populate this field

UPDATE: Several groups petitioned the FCC to change Urban Clusters with populations between 2,500 – 24,999 to rural and we are very optimistic that this change will be made

Examples of Towns That Will Become Rural

- Newport
- Curwensville
- Reynoldsville
- Brockway
- Everett
- Kane
- Mansfield
- Brookville
- Mifflinburg
- Warren
- Lewistown
- Honesdale
- Brookville
- Towanda
- Punxsutawney
- Quarryville
- Clearfield
- DuBois
- Lock Haven
- Meadville
- Mifflintown
- Ridgeway
- Clarion
- Blairsville
- Tyrone

District-Wide Discount Calculations

INCOME Measured by % of students eligible for NSLP	URBAN LOCATION Discount	RURAL LOCATION Discount
If the % of students in your school that qualifies for the NSLP...	...and you are in an URBAN area, your discount will be...	...and you are in a RURAL area, your discount will be...
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%

- 204/430 = 47.4% NSLP eligibility
- 35% - 49% Rural

District-Wide Discount for All Schools, C1 & C2 Services/Equipment = 70%

Community Eligibility Provision

- CEP is a new program that derives NSLP data from existing income-based programs
  - Schools that have an Identified Student Percentage of 40% or more can qualify (similar to Direct Certification)
  - Income NSLP eligibility applications are not collected and CEP schools must offer both free breakfast and free lunch daily to all students
- Schools opting into CEP will benefit from the 1.6 multiplier as is currently permitted by USDA and other federal programs
- For 2014, 630 PA schools have opted into CEP
- New Form 471, Block 4 will ask if school is a CEP school
  - If yes, form will then ask for enrollment and percentage of directly certified students and perform the 1.6 multiplier calculation
- My goal is to take the PDE NSLP file, indicate which are 630 CEP schools, and then list the % of directly certified students in a separate column

CEP Example

- Single school
  - Enrollment = 1000 students
  - 50% are identified as ‘direct certified’ = 500 students
  - 500 students * 1.6 multiplier = 800 students eligible for NSLP
  - I believe the 471, Block 4 will require:
    - Enrollment (1000)
    - Percentage of Direct Certified Students (50%)
    - System will do calculations to reach NSLP eligible
      - Applicant should NOT use 1.6 multiplier
  - No school can receive more than 100% NSLP eligibility

QUESTIONS ABOUT DISCOUNT CALCULATIONS OR BROADBAND GOALS?

Category 1 Overview

- Traditional Priority 1 will be called Category 1
- Category 1 will fund broadband connectivity and Internet access to buildings
- Category 1 services will be funded first before Category 2 equipment and services are funded in order to ensure there is enough funding available to cover all Category 1 funding requests

Category 1: No Longer Eligible

- Beginning in FY 2015, webhosting, paging, hosted e-mail and certain telephone service components will no longer be eligible
  - Directory assistance charges
  - Text messaging
  - Custom calling services
  - Direct inward dialing (DIDs)
  - 900/976 call blocking
  - Inside wire maintenance plans
- Cellular data and mobile broadband plans (such as data to ipads) are presumed to be ineligible
  - Exception would be a bookmobile or building where a wireless LAN cannot be installed (prison?)

Category 1: No Longer Eligible

- All such charges must be deducted from both the pre-discount cost included on the Form 471 and all associated vendor or applicant reimbursement invoices (SPIs and BEARs) for 2015 invoices
  - Working with cellular providers on cost allocation
  - Current thinking is 51% data - 49% voice
- Such charges do NOT have to be deducted for FY 2013 or 2014 BEARs or SPIs

Category 1: Being Phased Out

- Beginning in FY 2015, all voice services will begin to be phased out by 20 discount percentage points/year
  - Cellular voice
  - POTS and long distance
  - PRI service
  - Hosted VOIP service
  - PRIs
  - SIP trunks
  - Centrex

Voice Phase Out Schedule

If Your District's Discount is (in a given year):	Voice Discount Will Be:				
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
20%	No Funding	No Funding	No Funding	No Funding	No Funding
25%	5%	No Funding	No Funding	No Funding	No Funding
40%	20%	No Funding	No Funding	No Funding	No Funding
50%	30%	10%	No Funding	No Funding	No Funding
60%	40%	20%	No Funding	No Funding	No Funding
70%	50%	30%	10%	No Funding	No Funding
80%	60%	40%	20%	No Funding	No Funding
90%	70%	50%	30%	10%	No Funding

Bidding Exemption for Bundled Internet

- "Commercially available" bundled Broadband/Internet packages that cost less than $300 per month per building (prediscount) can be purchased without first posting a Form 470
  - Minimum speed must be 100 mbps downstream and 10 mbps upstream
  - Cost/speed must be per building and cannot be averaged across multiple buildings
  - Annual cost of $3600 must include all equipment and installation charges and monthly recurring charges
- Presumably applies to small schools and libraries that wish to purchase cable modem or similar bundles
- Applicants still must submit an annual Form 471 to request funding
- Cannot be used for backup or redundant Internet

Category 1 Bundled Equipment Limitations

- Beginning in FY 2015, equipment is prohibited from being bundled at no cost with an eligible service
- This includes free cellular phones, iPads/tablets, and VOIP equipment
- Applicants will be required to perform a cost allocation to remove the value of the ineligible equipment from the pre-discount price claimed for the annual service costs
- Previously signed contracts are *not* grandfathered

QUESTIONS ABOUT CATEGORY 1 SERVICE ELIGIBILITY?

Category 2 Overview

- Category 2 will fund Wi-Fi and related infrastructure and equipment inside the building
- Technology plan requirement has been repealed
- Maximum Category 2 discount will change from 90% to 85%
- All buildings in a District will receive the District-Wide discount

NSLP Eligibility	Urban	Rural
Less than 1%	20%	25%
1 – 19%	40%	50%
20 – 34%	50%	60%
35 – 49%	60%	70%
50 – 74%	80%	80%
75 – 100%	**85%**	**85%**

Big, Big, Big News

- On Monday, FCC Chairman Wheeler proposed permanently increasing the E-rate cap by an additional $1.5 billion
  - Full Commission must vote on December 11
- If it passes, FY 2015 cap will be $3.913 billion + additional $1 billion for C2 = $4.9 billion
  - $2 billion had already been set aside in reserve funds for FY 2015 and FY 2016
- **Can't guarantee that all C2 requests will be funded, but there's a strong likelihood they will**
- Should not enough funding be available to cover an entire discount band, pro-ration will be applied using the school's NSLP percentage

Category 2 Funding Budgets

- Each school will be permitted to apply for a pre-discount cap of $150 per student, or a minimum building cap of $9200, over a rolling five year basis
- Library cap of $2.30 per square foot
  - Includes areas off limits to public
- Money is allocated per school (not on a district-wide basis), and applicants cannot move funding from one school to another
- Form 471 application is required to be submitted each year and funding approval is subject to available funds each year
  - There is no provision to allow applicants to spend funds and be reimbursed in a later year

Category 2 Funding Budgets (Cont'd)

- If an applicant is committed less in a single year than the maximum budget available for a building, the applicant may request the remaining balance in subsequent funding years of a 5-year cycle
- All competitive bidding requirements will continue to apply and applicants can only apply for what they need

Category 2 – Enrollment Anomolies

- New schools may estimate the number of students who will be attending the new school and seek funding based on that estimate
  - However, if an applicant overestimates the number of students who enroll in that school, it must return to USAC by the end of the next funding year any excess funding based on the actual number of enrolled students
- Students who attend multiple schools, such as those that attend CTCs or Intermediate Units part-time, may be counted by both schools in order to ensure appropriate LAN/WLAN deployment for both buildings

Category 2 Funding Budget Example

School	Enrollment	Budget Multiplier	5-Year Budget Cap	E-rate Discount	E-rate Funding Cap
Plainfield Elementary	50	$150	$9,200*	70%	$6,440
Jacksonville Middle School	105	$150	$15,750	70%	$11,025
Newville High School	325	$150	$48,750	70%	$34,125

- The Budget Cap is the pre-discount price. E-rate discounts will then apply on top of the budget cap.

** Although 50 x $150 = $7,500, the minimum floor of $9,200 is invoked because school has less than 62 students*

Category 2 Funding Request Example

Qty	Part	Description	Unit Cost	Extended Cost
60	WS-AP37051	Dual radio 11abgn 2X2:2 MIMO WAPs	$375.00	$22,500.00
3	C5G124-48P2	C5 (48)' 10/1 00/1 000 AT-PoE RJ45 ports	$4,650.00	$13,950.00
2	C5K125-24	C5 (24) 10/100/1000 RJ45 ports	$3,950.00	$7,900.00
1	SMART1500RMX	SmartPro 1500RMXL2UA - UPS	$650.00	$650.00
1	INSTALLATION	Installation of single 50 micron OM3 fiber	$2,000.00	$2,000.00
2	10GB-SR-SFPP	10 Gb, 10GBASE-SR, IEEE 802.3 MM	$750.00	$1,500.00
1	E4DRS19FM45U	Open four post 7ft rack	$250.00	$250.00
			Pre-Discount	**$48,750.00**
			District Discount	70%
			E-rate Request	**$34,125.00**

Category 2 Budgets

- Any funding commitments that include a school or library as a recipient of service in that funding year will count against your pre-discount budget for that entity
- If not all committed funding is spent, you can file an Form 500 to return the remaining unused commitment to USAC
  - If entities are sharing the service, USAC will need specific information so that they know how to apply the returned funds to specific entities

Category 2 - Non-Instructional Facilities

- Non-Instructional Facilities are not eligible for equipment unless the NIF houses the WAN/WLAN central equipment (such as the network operations center)
- For NOCs, applicants must allocate a portion of each school's $150 budget toward the purchase of such equipment
- Your allocation can be:
  - Straight-line (all entities share the cost equally)
  - Proportional (based on student count/square footage of each entity)
  - Specific (you specify each entity's share)

C2 Cost Allocation for Shared Equipment or Services

- Example: A school district has three schools – School A with 25 students, School B with 50 students, and School C with 75 students. How do I correctly allocate a shared piece of equipment with a pre-discount cost of $300?

Straight line	Proportional by students	Specific (e.g., usage)
A = $100	A = 25/150 x $300 = $50	A uses 30% = $90
B = $100	B = 50/150 x $300 = $100	B uses 15% = $45
C = $100	C = 75/150 x $300 = $150	C uses 55% = $165
$300	$300	$300

Category 2 Eligibility Changes

- Beginning in FY 2015, Priority 2 eligible services will become focused solely on Wi-Fi and building infrastructure and networking
- Beginning in FY 2015, no voice or video equipment will be eligible

Category 2 Eligible Items

- Wireless Access Points
- Wireless Controllers
- Routers
- Switches
- Antennas
- Firewall Equipment
- Internal Cabling
- Caching Servers - new
- Racks
- UPS to support eligible equipment
- Cloud functionality of this equipment - new
- Software that supports eligible equipment
- Limited basic maintenance services for eligible equipment

Category 2 Eligibility in FY 2015 and 2016

- Managed Internal Broadband Services (MIBS)
  - Services which cover the operation, management, or monitoring of a LAN or WLAN
  - Includes managed Wi-Fi
  - Could have a contract where the vendor owns, manages, operates and maintains network equipment; or,
  - School could own the equipment, but have a vendor manage it for them

Category 2 Eligibility in FY 2015 and 2016

- Applicants are allowed to apply for up to $30 per year/per student for these ‘managed’ services
- Applicants that receive funding approval in FY 2015 and/or FY 2016 for these services will continue to obtain funding for FY 2017-FY 2019

Category 2 Early Installation

- Eligible equipment may now be purchased and/or installed on or after April 1 prior to the beginning of the funding year
  - This provides maximum amount of time during the summer to complete the necessary work
- Disbursements will not be made until on or after July 1
- General rule still applies that applicants cannot apply for retroactive funding for equipment purchased and installed in years prior to the funding year
- When signing C2 contracts, have them begin April 1 and expire September 30, 2017

...Considerations...

- Determine if all schools have robust Wi-Fi networks and networking equipment
- If not, which funding year should you apply for E-rate?
- Determine Category 2 E-rate budget caps
- Should you considered managed Wi-Fi?
- If you don’t currently need the funding, will you need it in the next 5 years?

Frequently Asked Questions

1. Can I replace existing Cat 5 wiring or older WAPs? – Yes
2. Will my admin building have C2 funding? – No
3. If I use my C2 funding in FY 2015 and my enrollment increases in FY 2016, can I apply for the additional funding? – Yes
4. If I don't use my C2 funding in FY 2015 and my enrollment decreases in FY 2016, which enrollment figures should I use? – FY 2016
5. If I use some of my C2 funding in FY 2015, but not all of it, how long do I have to apply for the remainder? – 4 years (but using the new year's enrollment numbers)

Category 2 Bidding

- Form 470 bidding always required
- If purchase is over $18,500, state-required bidding rules also apply
  - Must create RFP and post in local newspapers
- 470 and local bidding must be done simultaneously
  - Must have bidding period open at least 28 days before bid opening

When seeking bids, descriptions must be non-manufacturer specific, or must list for equivalency. For example, descriptions may state "Cisco 2811 switch or compatible"

Can We Use PEPPM?

- Unclear at this time whether FCC will allow PEPPM to be used for FY 2015
  - We are actively seeking approval, but not optimistic
- Strongly encourage you not to wait. File your own Form 470/release your bid and advertise locally
  - Co-Stars contract is not E-rate eligible because it does not bid with price being the most heavily weighted factor

QUESTIONS ABOUT CATEGORY 2 BUDGETS AND ELIGIBILITY?

New Form 471 – Lots of Changes

- New Online 471 Format!
  - Longer time-out periods (warning after 25 min of NO activity)
  - Modern interface
    - Form navigation arrows at the top of the screen to show progress and pages completed
    - Information is entered only once, then presented to the applicant as needed
  - Progressive disclosure
  - Error messages and help information written in clearer language
  - Much more data required
  - Cannot be paper-filed
- Templates are coming that can be created offline and uploaded into Form 471
  - Won't be available until at least mid-December

Form 471, Block 4

- Discount Calculations/Recipients of Service
- Cannot copy from 2014 Block 4
  - New platform can't copy from old 471 platform
- State LEA and School IDs requested per building
  - LEA: 115211603
  - School LEA: 1701
  - Find on EDNA http://www.edna.ed.state.pa.us/Screens/wfSearchEntity.aspx
- Use enrollment and NSLP data from October 2014
  - Surveys still permitted, but extrapolating is no longer allowed
- New Internet/WAN survey questions
  - Consortia applications won't show survey

Block 4 Survey Questions

- Does the school district (or school, if not part of a district) have Internet access of:
  - Less than 100 Mbps per 1,000 users
  - At least 100 Mbps per 1,000 users but less than 1 Gbps per 1,000 users
  - At least 1 Gbps per 1,000 users

Block 4 Survey Questions

- How many of the schools have WAN connections that are scalable to 10 Gbps?
- Indicate how many have LAN/WLAN capacity and coverage in the following areas:
  - Completely sufficient to support the educational or library activities conducted there
  - Mostly sufficient...
  - Sometimes sufficient...
  - Rarely sufficient...
  - Not sufficient...

Block 4 Survey Questions

- For those schools that do not have sufficient LAN/WLAN capacity and coverage to support the educational objectives or library activities conducted at that location, is the reason (check all that apply):
  1. Equipment too costly
  2. Installation too costly
  3. Broadband connection speed to building is too slow
  4. Inadequate local area network (LAN) services/internal networks and wiring
  5. Outdated equipment
  6. Lack of training and technical support
  7. Inconsistent service/frequent outages and down time
  8. Physical structure or layout of building(s)
  9. Other: _____

Form 471, Block 5

- Lots more questions/data collected
  - Contract renewal questions
  - Download/Upload Speeds
  - Bursting and firewall questions
  - # lines per building
  - Identify exactly what services go to which building
- Item 21 data will not be embedded in actual Form 471
  - No longer a separate process
  - Cannot be submitted post-window
- All data will be publicly available and downloadable
- New online 471 not yet available for practice
  - As soon as it is, a separate webinar will be conducted
- **We've been told it will take much longer to complete this year so please, please do not wait until the last minute to file**

USAC Efficiencies

- USAC will try to issue all FCDLs for workable FRNs by September 1st of each funding year
- Multi-year contracts with a term of five or less years will have a streamlined review after first year of PIA review
  - Applicants must still apply each year and funding commitments will be made year-by-year

New Strict Invoicing Deadlines

- One 120 day invoice deadline extension will be granted if the request is made on or before the original invoice deadline (which is typically October 28 following the funding year)
  - Reason will not be required
- Late invoice deadline extension requests will not be granted by USAC
- Requests for extensions made after invoice deadline must be requested via a waiver request to the FCC
  - FCC will only grant requests where applicants can prove truly extraordinary circumstances to justify a waiver
- Purpose of New Procedure: Unused funds will be able to be de-obligated more quickly to be used to make other funding commitments

New Strict Invoicing Deadlines

- New invoicing rules become effective on December 17
- If you missed the BEAR deadline of October 28, you can still submit an invoice deadline extension request (IDER)
  - USAC will approve it in about 3 weeks
  - Then you can submit your BEAR
- If you received a $0-funded BEAR, you should submit an IDER, wait for approval, then resubmit a corrected BEAR
- I will send another BEAR-due list to the listserve in the next week
  - Some on the list because vendors haven't submitted SPIs
  - Ignore if you are SURE you received discounted bills for FY 2013

Expanded Document Retention Rules

- The document retention requirement has been expanded from 5 years to 10 years from the last date to receive service or service delivery deadline, whichever is later
  - Example: For FY 2015, the last date to receive service is June 30, 2016. All documents related to FY 2015 must be kept through June 30, 2026
- For multi-year contracts, contract documentation and bids must be kept 10 years from the last date of service under the contract
  - Example: A 5 year contract started July 1, 2015 expires June 30, 2020. All documents related to this contract must be kept through June 30, 2030

Document Retention – To Do

- Amend your E-rate document retention policy
- Alert your business office to keep all winning and losing bids, bid evaluations, contracts, vendor bills, cancelled checks, must be kept for 10 years from the end of the funding year
- Electronic records storage is permissible and encouraged

FY 2015 (Year 18) Coming Soon!

- FY 2015 is **YELLOW**!
- For recurring services rendered 7/1/2015 - 6/30/2016
- 471 application window slated to
  - OPEN around January 6, 2015
  - CLOSE late March 2015
- Form 470's being accepted now!
  - Use currently-available Form 470 (even if it says FY 2014)
  - New Form 470 should be available soon (very few changes)

FY 2014 (Year 17) Details

- For services rendered 7/1/2014 - 6/30/15
  - FY 2014 is BLUE
- 98%+ of PA Priority 1 FRNs funded as of 11/19/2014
- File the 486 after FCDL arrives
- Request discounted bills from vendors, if desired

Is your Form 486 due? Check the list!

Questions?

The end!