

E-rate Training for Beginners

Funding Year 2025

PETE & C



Presented by Julie Tritt Schell
PA E-rate Coordinator
for the Pennsylvania Department of Education
February 2025

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**)
 - CEP schools receive 1.6 multiplier
 - Whether a majority of schools in the district 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

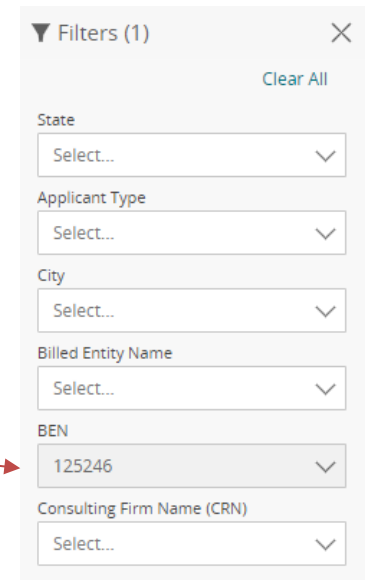
Category 2 Pre-Discount Budget

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	January – March 26
7) Application Review – PIA	April - August
8) Funding Commitment – FCDL	April - August
9) Turn-On Funding/CIPA Compliance – Form 486	Upon FCDL receipt – October 28
10) Receive Services	July 1, 2025 – June 30, 2026
11) Pay Vendor	July 1, 2025 – June 30, 2026
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, 2026 (deadline)

Competitive Bidding

When is Bidding Required?

- If a service is covered on a Month-to-Month basis (meaning no contract exists – these are mostly cable modem-type services);
- At the beginning of any new contract
- If you're upgrading service mid-contract and the upgrades and associated prices are not included in the original contract
- All Category 2 equipment and services

When is Bidding NOT Required?

- When seeking business-class internet (think cable modems) at 100 mbps or faster and \$3600/year
- Libraries seeking Category 2 for \$3600 or less
- If extending contract pursuant to original contract (cannot be open-ended in contract)

How to Bid:

- Post Form 470 in EPC (with any RFPs/bid documents)
- 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
- PEPPM mini-bid process does not require Form 470

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**
- Vendor contract must be signed by applicant before filing Form 471

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.
- Submitted annually during “window” – typically mid January – mid-late March

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

Funding Commitment Letters

FCDL = Funding Commitment Decision Letter

- USAC issues funding “waves” each week
 - FCDL provides decisions of each funding requests (FRNs) on Form 471
 - Wave 1 usually issued late April
 - Goal is to have all “workable” applications funded by Sept 1
- Can appeal within 60 days if you don’t agree with their decision

Filing Form 486

- After receiving FCDL, applicant files 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

Receiving E-rate Funding

Discounted Invoices or Reimbursement

- Applicant's choice
 - Discounts on bills (vendor invoices USAC)
or
 - Reimbursement process
 - Applicant pays bills in full, then invoices USAC on BEAR Form 472
 - USAC approves BEAR and issues payment to applicant's bank account via EFT
- Must select one or the other for entire year for each FRN



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 for "E-rate in Pennsylvania". The header includes the logo and navigation links for "What is E-rate" and "Listserve Archive". A main navigation bar lists categories: DISCOUNT CALCULATIONS, TRAINING & OUTREACH, E-RATE 2.0, PA FUNDING, HELPFUL DOCUMENTS, MASTER CONTRACTS, and E-RATE FILINGS. A large banner image features a teacher and students with the text "Need E-rate training?". Below the banner, there are three columns of content: "Newest Listserve Messages" with links to various announcements, "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 includes icons for a calculator, document, and list. The footer contains a comprehensive list of site links and a home button.

The screenshot shows the "E-Rate" page on the Universal Service Administrative Co. website. The header includes the logo, navigation links for "Subscribe", "Payments", "Open Data", and "Sign In", and a search bar. A main navigation bar lists categories: About, E-Rate, Rural Health Care, Lifeline, High Cost, and Service Providers. The main content area features a large image of two children looking at a tablet, with the text "E-Rate" and "Ensuring that schools and libraries across the U.S. are connected to information and resources through the internet". Below this, there are three columns of content: "Manage Your Account" with a "Sign In" button and text about E-Rate Productivity Center (EPC) accounts; "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 indicating the window closes on March 22, 2022 at 11:59:59 p.m. EDT.