E-Rate Training for Public Schools - Beginners

Funding Year 2026

For a copy of today's presentation, go to:
https://e-ratepa.org/?page_id=745

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On behalf of the Pennsylvania Department of Education
Fall 2025

Agenda for Today

- E-Rate Overview – Slide 3
- Discount Calculations – Slide 7
- Eligible Services and Equipment – Slide 13
- Program Updates (What's New For FY2026) – Slide 26
- Category 2 Budgets – Slide 28
- Application Process – Slide 35
- E-Rate Productivity Center (EPC) – Slide 68

What is E-Rate?

- FY2025 Program Cap was $5.06B
  - Funding does not come from the federal budget but is part of the Universal Service Fund (USF), which exists to ensure that all people in the United States have access to quality, affordable connectivity service
- Provides 20-90% discounts on eligible services and equipment
- Program principles:
  - All equipment and services (**with a couple of exceptions**) must be competitively bid using the E-Rate portal for at least 28 days
  - Applicants MUST pay their non-discounted share (cannot be waived)
    - For example, if your discount is 80%, you must pay 20%
- FCC sets all rules and policies
  - USAC (Universal Service Administrative Co.), an independent, not-for-profit organization designated by the FCC to manage the program/ application process
  - We typically start applying 6-12 months before the funding year begins
  - The program is highly deadline-driven

Funding Year

A Funding Year (FY) starts on July 1 and ends the following June 30.

- **Our current funding year, FY2025, started on July 1, 2025, and ends on June 30, 2026.**
- **We are preparing to file for FY2026, which starts on July 1, 2026, and ends on June 30, 2027.**

Delivery and installation of services

- **Recurring services** (e.g., monthly internet access) must be delivered during the funding year.
- **Non-recurring services** (e.g., equipment) can generally be installed **as early as April 1 (90 days) before the July 1st start of the funding year** through September 30 following the close of the funding year.
  - The September 30 deadline can sometimes be extended, either automatically or by request.

How to Be E-Rate Successful

- Read (and distribute) listserve messages
  - Are you on the PA E-Rate listserve? (e-mail Lorrie, if not)
  - Are you subscribed to the USAC E-Rate Newsbrief?

  https://fe3915707564067d1477.pub.s10.sfmc-content.com/3n2usens2cz
- Document and retain everything
  - Stay organized!
- Use PA E-Rate website: www.E-Ratepa.org
  - Helpful Documents/Guides
- Have patience

What Entities are Eligible in PA?

- Public libraries eligible for LSTA funding
  - Includes bookmobiles
- 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)
  - Admin buildings, bus barns, data centers, etc.
  - Only eligible for broadband/internet services (not equipment)
- Every "organization" has an E-Rate Billed Entity Number (BEN)
- Every "building" (school or NIF) must have an Entity Number
  - If a school has a secondary site (separate gym, trailer, etc.) that will receive E-Rate services, it is designated as an "Annex". No separate entity number is needed.
  - Call USAC to obtain Entity Numbers for new buildings (school or NIF)

Discount Calculations

School Discount Calculations

- **Discount level for schools based on 2 factors:**
  - % of students – district wide - who are eligible for National School Lunch Program (NSLP)
    - Doesn't matter if school serves lunch or participates in NSLP
    - CTCs use their own students' data, not sending schools' data
    - CEP schools' 1.6 multiplier calculated automatically
      - **PDE data will contain raw CEP data to use**
    - Alternatives to using NSLP data available
  - Whether a majority of schools buildings are considered rural
    - Designations already in EPC
- Using this data, 'Discount Matrix' is then used to determine discounts

School District Example

School	Urban/Rural	Enrollment	NSLP	
DALLASTOWN EL SCH	R	185	83	
LOGANVILLE-SPRINGFIELD EL SCH	R	434	77	
YORK TWP EL SCH	R	463	176	
ORE VALLEY EL SCH	U	554	191	
DALLASTOWN AREA SHS	U	1715	366	
LEADERS HEIGHTS EL SCH	U	164	33	
DALLASTOWN AREA MS	U	1003	282	
Administration Office	n/a	1380	408	
DALLASTOWN AREA SCHOOL DISTRICT	**U**	**4518**	**1208**	**26.7%**

% NSLP = 27%

Not a majority of schools are Rural

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**	**Category 2 Urban Discount**	**Category 2 Rural Discount**
Less than 1%	20%	25%	20%	25%
1% to 19%	40%	50%	40%	50%
20% to 34%	50%	60%	50%	60%
35% to 49%	60%	70%	60%	70%
50% to 74%	80%	80%	80%	80%
75% to 100%	90%	90%	85%	85%

If NSLP% = 27% with a majority of Urban schools

Calculating Consortia Discounts

- Based on the simple average of all consortia members' discounts

Consortia Members	Member Calculated Discount
District A	50%
District B	60%
District C	80%
Consortia Discount	**63%**
	(50+60+80)/3

- Consortia are only entities that will have non-matrix discount
- Most common consortia are IU RWANs and Federated Library Systems' RWANs

How Does USAC Obtain Enrollment & NSLP Data?

- Short answer: Each school is required to update their EPC profiles annually during an "Admin Window"
  - System automatically calculates discounts
    - Discount Data is then be ported into E-Rate application from EPC
  - Update C2 enrollment during Admin Window, if increases
  - For Funding Year 2026, Admin Window is open October 15 – early Jan
  - Lorrie will send PDE enrollment/NSLP data to listserve in mid December
  - Wait and update profiles after PDE data release

- 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 only update changes to square footage for each building, if any
    - Square footage is used to determine Category 2 budgets

E-Rate Eligible Services and Equipment

E-Rate Eligible Services List and FAQs:
https://www.usac.org/E-Rate/applicant-process/before-you- begin/eligible-services-list/

Categories of Service

- **Category 1** – Services that go TO the school or library
  - Subcategories:
    - Data Transmission Services (fiber, coaxial cable, etc.)
    - Internet Access
  - Maximum discount is 90%
  - No E-Rate funding caps
  - Services must be received July 1 – June 30
  - All buildings, including NIFs, are eligible for Cat 1 funding

- **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)
  - Equipment can be received April 1 – Sept 30 (18 months)
  - **NIFs are NOT eligible for Cat 2!**

C1: Data Transmission Services

Most Common:

- Leased Lit Fiber
- Cable Modem/DSL/FIOS
- Bundled Internet Access (with transport)

Other Eligible Fiber:

- Leased Dark Fiber * (Someone else owns it, but you're responsible for lighting it)
- Self-Provisioned Fiber (Build/Own Your Own Network) *
- Special Construction Charges
  - Costs for vendor to build out network
- Installation Charges
  - One-time charge to "turn on" service

* Additional bidding requirements apply

Also Eligible (less common):

- Microwave Service
- Broadband over Power Lines
- DS-1, DS-2, DS-3
- OC-1, OC-3, OC-12, OC-n
- Frame Relay
- ISDN
- Satellite Services
- Stand-Alone Internet (no transport cost if you own the fiber to your buildings, or a different vendor provides the circuits)
- Wireless data plans * (**typically used for a library's bookmobile**), where plans are the most cost-effective option

Not Eligible:

- Voice services
- Duplicative (redundant) services
- Filtering

Off-Premises Wi-Fi Hotspots and Bus Wi-Fi Are No Longer E-Rate Eligible

- On Sept. 30, 2025, the FCC overturned the previously adopted Report and Order (FCC 24-76), which made **Wi-Fi hotspots and Bus Wi-Fi for off-premises use** eligible for E-Rate program support
- The Commission clarified that providing Wi-Fi or similar technologies outside of traditional school and library premises does not fall within the scope of the E-Rate program
- Based on this decision, the FCC has released an amended FY2025 Eligible Services List, removing Wi-Fi services for school buses and hotspots as eligible services
- The service will be ineligible for FY2026 as well

CABIO Internet Bidding Exemption

Commercially Available Bundled Internet Option (CABIO)

- Schools and libraries seeking "Commercially-Available Business Class Internet Services" are not required to file a Form 470
- Typically, only Cable-Modem, DSL, or FIOS Internet Service
- Commercially Available means that it is publicly available to non-residential customers (such as enterprise, small business, or other government customers) in the same form and at the same rates that it is offered to schools or libraries
  - Basically, this is an internet service that is available on a vendor's website for its business customers
- Minimum speeds must be 100 Mbps downstream and 10 Mbps upstream
- Cost must be $3,600 or less annually (pre-discount)
  - Cost must be per-building and cannot be averaged across multiple buildings
  - $3,600 includes any installation costs, equipment rental, taxes and fees

The CABIO option is geared (but not limited) to small libraries and small non-public schools or NIFs using cable modem-type services

What's Eligible for Category 2 Funding?

3 Sub-Categories for C2

- Internal Connections (main)
- Basic Maintenance (BMIC)
- Managed Internal Broadband Services (MIBS)

Internal Connections

- Wireless Access Points/Controllers
- Network Routers & Switches
- In-Building Structured Cabling
- Caching Servers
  - Only eligible servers
- Firewall Appliances
- Racks and UPSs
  - That support eligible equipment only
- Equipment licenses
  - Pre-paid, multi-year licenses can be requested in first year
- Cloud-based functionality of eligible 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:
  - **Cybersecurity!!!!!!**
  - Storage Devices
  - Voice/Video Components
  - End User Devices
  - Security cameras
  - Advanced firewall functions, like anti-spam, anti-virus, etc.

Internal Connections Purchase Timeline

- Equipment can be purchased as early as April 1, before the funding year start
  - For example, applicants can purchase equipment on April 1, 2026, for FY 2026, even though the funding year doesn't begin until July 1, 2026
  - However… vendors/applicants cannot be reimbursed from USAC until July 1
  - Applicants who purchase equipment before receiving a funding commitment letter risk paying full price
- Equipment can be purchased as late as September 30, following the end of the funding year
- Allows applicants two full summers to install equipment

FY2026 - Non-Recurring Services/Equipment Purchases - April 1, 2026 - Sept 30, 2027																	
			FY2026 - Recurring Service - July 1, 2026 - June 30, 2027														
Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
2026	2026	2026	2026	2026	2026	2026	2026	2026	2027	2027	2027	2027	2027	2027	2027	2027	2027

Basic Maintenance (BMIC)

- Basic Maintenance of Internal Connections is the **repair and upkeep of eligible internal connections, which include:**
  - **In-Person Services**, which include on-site repairs (Time and Material Contracts).
  - If repair or replacement work is performed under a maintenance contract, USAC only reimburses for the **actual work performed**.
  - Next Business Day equipment replacement is not eligible
- Multi-year, pre-paid contracts must be amortized
  - Cannot apply for the full cost of the multi-year BMIC contract in Year 1
  - Must amortize and request discounts for that year, annually
- Can only be for services/work performed during 12-month funding year (7/1/2026 – 6/30/2027)
  - Does not follow the 4/1/2026 – 9/30/2027 schedule

Draft FY2026 ESL

- To alleviate this confusion, the FCC proposes to include software-based services, including bug fixes, security patches, software-based technical assistance, and configuration changes under **Internal Connections!!**
- **Fixed maintenance contracts** (on-site configuration changes, and time and materials) will continue to be eligible for funding under BMIC, but only for the work that is actually performed under the contract

Managed Internal Broadband Services

- Managed Internal Broadband Services (MIBS)
- Covers the operation, management, or monitoring of a LAN
- 2 Options:
  - Paying an outside vendor to own/manage the equipment
  - Paying an outside vendor to manage school-owned equipment
- Subject to the C2 budget caps
- Traditionally used by small schools/districts and libraries that don't have their own IT staff

Equipment Transfer/Disposal Rules

- **Transfers**: E-Rate funded equipment may be transferred between eligible schools or libraries within the BEN
  - If equipment is transferred between buildings within 5 years from date of purchase, applicants must record reason and date of transfer and update asset inventory
    - No notice to USAC is required
  - Asset inventory must be retained for 10 years from date of purchase

- **Disposal**: Equipment may be disposed of, sold, transferred, etc. after 5 years from the date of installation
    - No notice to USAC required but asset inventory must be updated

NIFs Not Eligible for C2 Funding

- Non-instructional facilities (NIFs) are not eligible for C2 funding/equipment that is specific to their building
- Shared equipment may be housed at a NIF
- For example:
  - A Wireless Controller may be housed within a NIF
  - Wireless Access Points in a NIF may not be purchased with E-Rate funds
    - These would be building-specific and not equipment that is shared with other schools

What's New for FY2026?

Off-Premises Wi-Fi Hotspots and Bus Wi-Fi Will Not Be Eligible for FY2026

- As previously mentioned, the FCC overturned the adopted Report and Order (FCC 24-76), which made **Wi-Fi hotspots and Bus Wi-Fi for off-premises use** eligible for E-Rate program support
- **This also applies to FY2026 forward**
- If you contracted for this service, you should re-read your contracts to see how the vendor addressed termination or alteration of the E-Rate program in their terms
- Reach out to your vendor now if you need to change the quantities of devices or service lines, based on the elimination of E-Rate funding

Category 2 Budget Calculations

New 5-Year Category Two (C2) Budget Cycle

FY 2026 will be the first year of the FY 2026-2030 funding cycle.

- Unused funds from the FY 2021 – 2025 Category Two (C2) budget were not rolled over to the FY 2026 – 2030 funding cycle
- The E-Rate C2 Budget Tool FY2021+ has been updated to provide C2 budget forecast data for the FY 2026-2030 C2 budget cycle
- Applicants will be required to validate their student counts or library square footage in the first year they apply for C2 support during the FY2026-2030 cycle
- The C2 budget is calculated at the school district level based on the combined student enrollment

FY2026-2030 C2 Budget Cycle Updates

FY 2026-2030 C2 Budget Cycle

Schools

- $201.57/student
- $30,175.00 funding floor
  - This means a school with fewer than 150 students ($201.57/student * 149 students = $30,033.93) receives the funding floor of $30,175.

Libraries

- **$5.43/square foot**
- **$30,175 funding floor**
  - This means a library **with less than 5,558 square feet** ($5.43/square foot * 5,557 square feet = $30,174.51) receives the funding floor of $30,175.

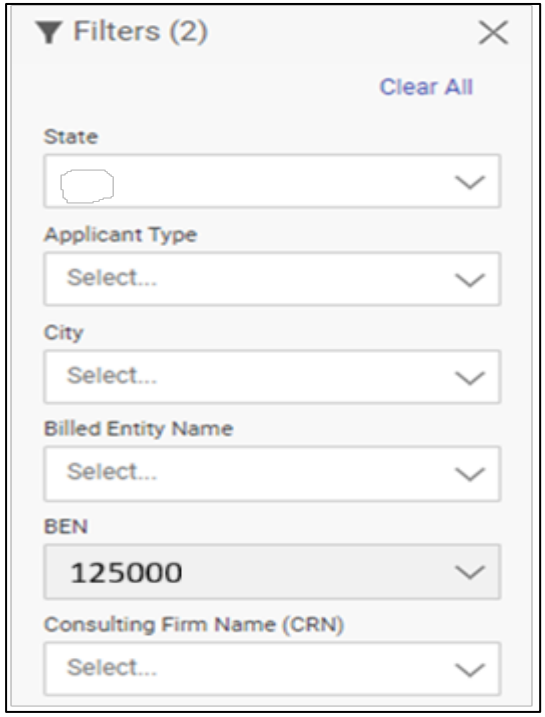
Calculating Remaining C2 Budgets –
Using USAC's Open Data

What is your Category 2 Budget for this C2 cycle?

1) Go to: E-Rate C2 Budget Tool FY2021+

2) Enter BEN to filter just your entity's data

3) Summary Table will appear



Review these columns:

C2 enrollment currently in EPC

5-Year Pre-Discount C2 Budget

Full T...	Librar...	Scho...	Librar...	C2 Bu...	C2 Bu...	Fund...	Pendi...	Avail...
1,950		$201.57		$393,061....	Forecast	$0.00	$0.00	$393,061....
8,752		$201.57		$1,764,14...	Forecast	$0.00	$0.00	$1,764,14...

"Funded" amount from FY2026-FY 2030

Any Amount "pending" in FY2026-2030

Remaining available C2 Budget

Establishing Your C2 Budget for this Cycle

- Update your entity profile in EPC during the Administrative Window
- **Forecast Budget**: Beginning in the FY2026- 2030 budget cycle, all entities will have a Forecast budget status based on the information in their EPC profile. This means that any updates you make to the entity profile will automatically reflect in an updated budget amount, without the need to request a replacement budget
- **Preliminary Budget:** The entity has **certified** a Form 471 application within the FY2026-2030 C2 budget cycle. This means that the entity has certified the accuracy of the budget data currently in the entity profile
- **Confirmed Budget:** Once Program Integrity Assurance (PIA) review of FY2026-2030 C2 Form 471 application is **complete**. The C2 budget in the entity profile is now **fixed**. It can only be changed via an Appeal for the current FY. Beginning in FY2027, the entity can request a replacement C2 budget if the student count has increased for the next year

Category 2 Pre-Discount Budget Example

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

* The C2 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

- Future funding years: 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

Data Used for Category 2 Budgets

- Enrollment data entered in separate location in EPC (different from discount calculations)
- Why? Enrollments are set at first year you apply for C2 during that Category 2 Budget Cycle
- Not required to update after first year you apply for C2 ~~annually~~
- CAN update if it will increase your C2 budget
  - Must then ask for C2 Budget Recalculation from USAC

Where to update C2 enrollment data?

>>> EPC Landing Page > District Name > Manage Organization > Scroll to bottom of page

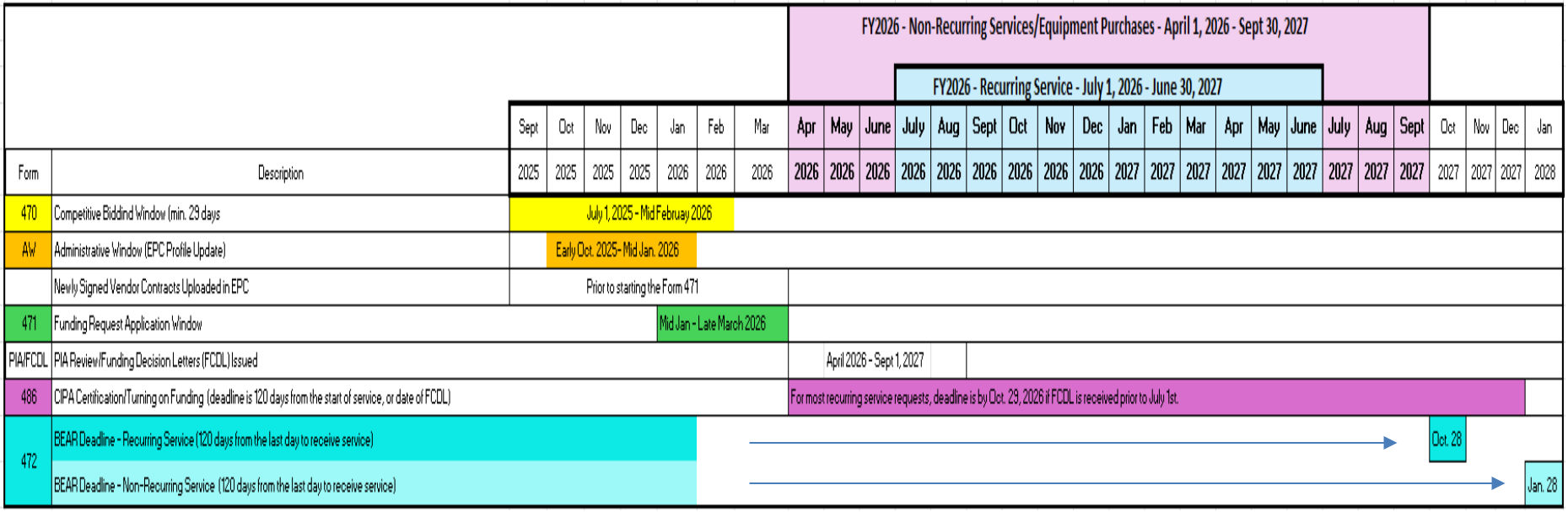
The Application Process

Application Process Overview

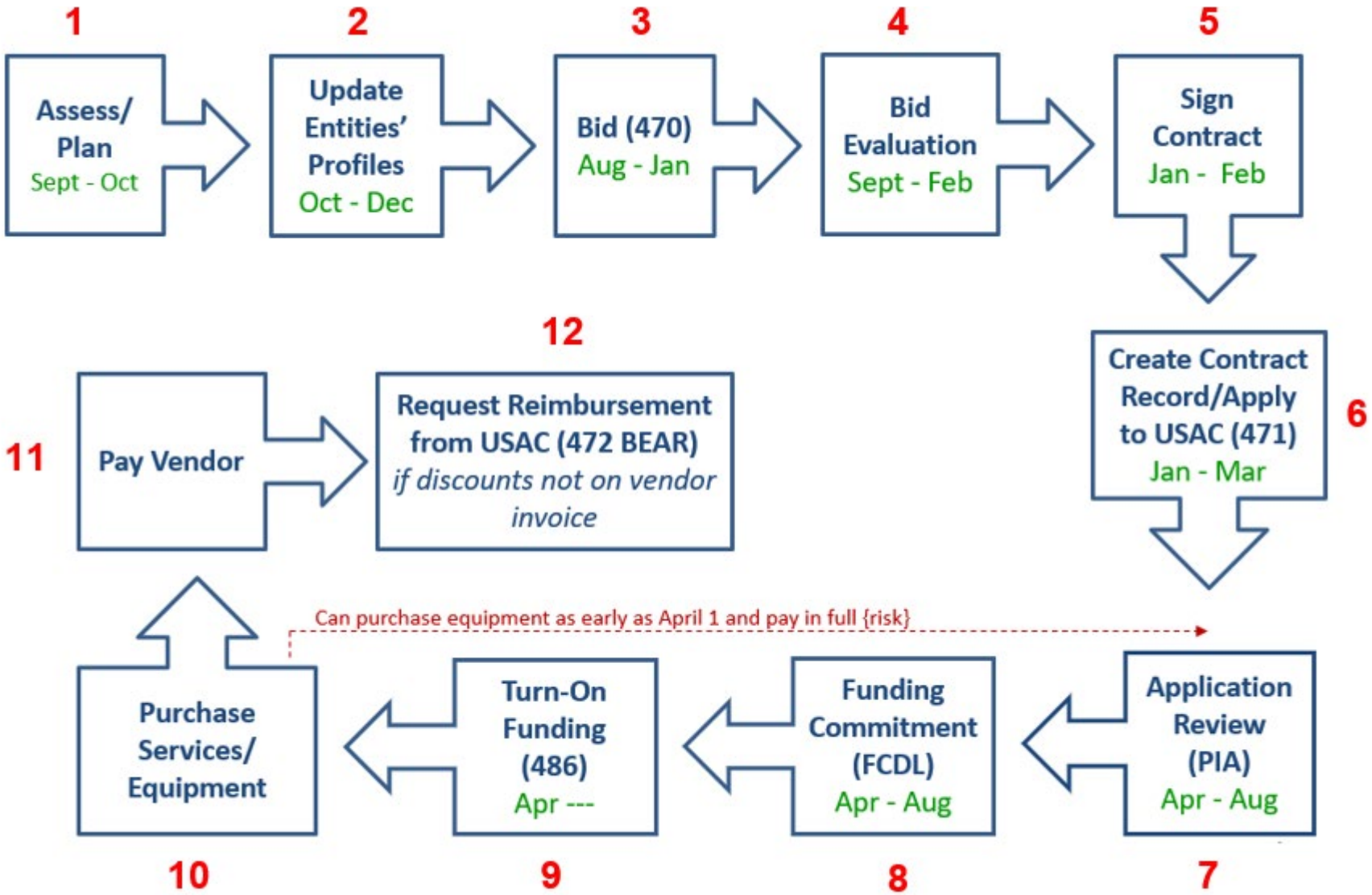
E-Rate Step	Suggested Timeline
1) Assess Needs/Create Your Plan	August - December
2) Update EPC Profiles - Admin Window	Oct 15, 2025- early January
3) Bid All New Services/Equipment – Form 470	Now - January
4) Bid Evaluation	January/February
5) Board Approval/Sign Contracts	January/February
6) Request E-Rate Funding – Form 471	Mid Jan. – March 25? (deadline TBA)
7) Application Review – PIA	March - August
8) Funding Commitment – FCDL	April - August
9) Turn-On Funding/CIPA Compliance – Form 486	FCDL receipt – October 29
10) Receive Services	July 1, 2026 – June 30, 2027
11) Pay Vendor	July 1, 2026 – June 30, 2027
12) Submit Invoice to USAC (one of two options) – Form 472 BEAR if paid vendor bill in full **or** – Vendor submits Form 474 SPI to USAC if you received discounted bills	October 28, 2027 (deadline)

FY 2026 Application Cycle

- Funding years are named for the year in which they begin
  - FY 2025 = July 1, 2025 – June 30, 2026
  - FY 2026 = July 1, 2026 – June 30, 2027
- The application process begins 6-9 months ahead of start of next funding year
- May be dealing with 3 funding years at one time (**Don't panic!!!! It's doable**):
  - **FY2024 BEAR - Oct 28, 2025 is deadline for recurring service**
  - **FY2025 Form 486 if FCDL received before July 1st for recurring service**
  - **FY2026 Form 470 if new service/equipment is needed**



Steps 1 - 12


1
Assess/ Plan
Sept - Oct
2
Update Entities' Profiles
Oct - Dec
3
Bid (470)
Aug - Jan
4
Bid Evaluation
Sept - Feb
5
Sign Contract
Jan - Feb
6
Create Contract Record/Apply to USAC (471)
Jan - Mar
7
Application Review (PIA)
Apr - Aug
8
Funding Commitment (FCDL)
Apr - Aug
9
Turn-On Funding (486)
Apr ---
10
Purchase Services/ Equipment
11
Pay Vendor
12
Request Reimbursement from USAC (472 BEAR)
if discounts not on vendor invoice
Can purchase equipment as early as April 1 and pay in full {risk}

Step 1: Assess Need & Plan

- When? September/October/November
- Category 1: Review existing contracts to determine when they expire
  - List of C1 Contract Expiration Dates document will be posted soon
  - Extend, if options are available
    - Must send documentation to the vendor of the request to extend
  - If the contract is expiring, decide if upgraded services are needed
- Category 2: Determine what equipment/wiring is needed for each building for the next funding year
  - Research options, prepare bid-list

Step 2… Update Entities' Profiles

- **Update Entities' Profiles during the Administrative Window each fall**
  - Approx. 3-month period when schools must update enrollment/NSLP data for each school
    - **Admin window opens on Oct. 15th, and will close early Jan**.
    - And update Category 2 Enrollment if it has increased
  - Data cannot be changed in EPC once Admin Window closes (but you can provide updated info on the Form 471)

- Confirm all entities, including NIFs, are in EPC portal
  - Contact USAC's Customer Service Center (CSC) at 888-203-8100 to make entity adjustments

Step 3: Posting the Form 470

Form 470 Competitive Bidding Form

- Notifies 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
- Vendors are invited to submit bids/price quotes for 28 days from the date of certifying your Form 470
  - List **bid due date** in the narrative text box, along with **any disqualifying factors**
- You are NOT obligated to purchase any service/equipment listed on Form 470
- Category 1 and Category 2 can be filed on the same 470

When Must a Form 470 be Posted?

1. **Month-to-Month Services**
   - No contract exists – these are mostly cable modem-type services
   - File annually unless using CABIO
2. **New Contracts**
   - File before signing 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, 2027, you are **not** required to file a Form 470 for FY 2026
3. **Bandwidth Upgrades**
   - If you're upgrading service mid-contract and the upgrades and associated prices are not included in the original contract

Contract Extensions

- Permitted but must have been in original contract and must have a definitive end
  - **OK:** For example, a 3-year contract, with two 1-year renewals. Will not require new 470 until the end of 5 years
- Must notify vendor before filing Form 471 if you want to exercise one of your contract extensions
  - Can be as simple as an e-mail; some vendors want contract amendment
  - USAC will ask for this during your application review

Requests for Proposals (RFPs)

- USAC considers any bidding document provided to vendors an RFP
- RFPs not required, except for:
  - When seeking dark fiber or self-provisioned fiber projects
- If issuing an RFP, all documents that constitute that RFP must be uploaded with Form 470 at time of filing
  - Cannot cite to a website bidding advertisement
  - **Important**: Any addenda or other documents given to vendors after the Form 470 is filed must be uploaded to existing 470
    - Must restart 28-day clock if any changes are made to the original RFP
- Vendors cannot provide RFP language or bid lists

When to File the Form 470

Deadline: Form 470 must be posted online at least 29 days before the Form 471 window close

For example:

- If Form 471 deadline is March 25, 2026; therefore…
- February 25, 2026 = 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

- Helpful Form 470 Guides: http://e-ratepa.org/?page_id=754
  - Helpful Form 470 and RFP Narrative Guide
  - C1 Form 470 Filing Guide
  - C2 Form 470 Filing Guide – Public Schools
  - C2 Form 470 Filing Guide – Non-Public Schools/Libraries

- **If you need to file a Form 470, please plan on attending the training that will be offered in November**. To register, go to https://e-ratepa.org/?page_id=745

Public Schools: 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
  - All vendors in a certain 'category' must receive mini-bid equipment list
  - Proposals must be accepted for 14 days
  - Factors besides price may be considered
- NOTE FOR FY2026 ONLY: If you intend to use the PEPPM Mini-bid system for your FY 2026 Category 2 equipment purchases, **YOU CANNOT RELEASE A PEPPM MINI-BID TO VENDORS UNTIL AT LEAST JANUARY 2, 2026**. However, this is a great time to start creating your equipment lists so that you're ready to release the mini-bids come January 2nd
- **PEPPM bidding guide will be posted soon**

During the Bidding Period…

- After the Form 470 has been posted online, vendors submit proposals directly to the school
- Proposals must be accepted for a minimum of 28 calendar days
  - Applicants should specify a bid deadline in the Form 470/RFP
  - Can be longer than 28 days
- Vendors will contact you if they need additional information
- When contacted by a vendor, you must indicate your willingness to receive a proposal for services listed on Form 470
  - Do NOT say you are just going to stay with your current vendor
- May conduct pre-bid meeting with vendors

Step 4: Evaluating Bids

- 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

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

  - Brief list of evaluation criteria examples:
    - Quality of proposed solution
    - Cost of ineligible items
    - References
    - Experience with the vendor
    - Ability to meet installation deadline

Equipment: In PA, public schools must select low-bid among all qualified proposals unless using PEPPM contract (then can include bid evaluation factors)

- Retain all winning and losing bids and all correspondence between applicant and all vendors (winning and losing)

- Helpful Guide: https://e-ratepa.org/?p=35287

Disqualifying a Bid

- In order to DQ a bid, the bid disqualification reason must have been stated in the Form 470 or in the RFP
- **DQ reasons must be yes/no** (either they complied, or they did not)
- *Examples*:
  - Vendor must submit a proposal by the deadline stated in the 470/RFP
  - Vendor must bid on all services requested in the 470/RFP
  - Vendor must be authorized to do business in PA
  - Equipment must be compatible with school's existing XXX equipment
    - Be sure to then list the existing equipment in the school or library
  - Equipment cannot be refurbished or "gray market"
  - Vendor must be willing to provide discounted bills
  - Vendor must attend pre-bid walk-through
- When disqualifying a bid, make a note of the exact reason for DQ reason and show where it was stated in the 470 or RFP

Received No Bids?

- Document via an email or file memo that no bids were received
- Existing Services: can continue to receive services from existing service provider
- New Services/Procurement: Solicit bid from willing vendor (who is not your brother-in-law or other family member)

  - Make sure the price is cost-effective
  - Check marketplace options from other vendors in your area or nearby areas
  - Save research and information to justify buying service from this vendor

Bid Evaluation Matrix Example

Factor	Points Available	Vendor A	Vendor B	Vendor C
Proposal Cost		$750	$800	$1000
-- Weighted Points (% to lowest bid)		100%	80%	75%
Price of Eligible Services/Equipment (weighted)	60	60	48	45
Ability to Meet Installation Timeline	20	10	10	20
Quality of Proposed Solution	10	10	10	10
References	10	8	8	5
TOTAL POINTS		88	76	80

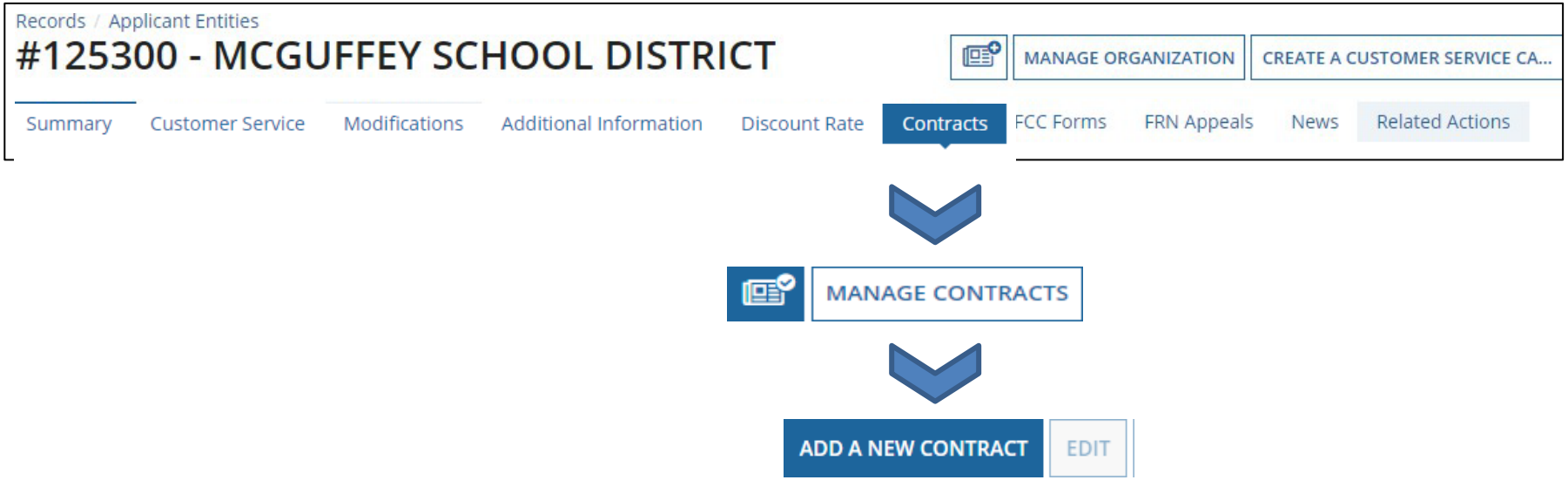
Step 5: Signing Contracts

- Contracts (which include hardware quotes) must be signed/dated by the ***applicant*** before you submit Form 471
  - Exception: If you're receiving services on a month-to-month basis
  - Obtain board approval, if required, before signing a vendor contract
  - Vendor can sign contract after the Form 471 deadline

Step 6a: Upload New Contracts in EPC

- All NEW contracts must be uploaded into the 'EPC Contract Module' before starting the Form 471

  -- > EPC Landing Page > Library Name > Contracts from top toolbar



- We'll walk through this step by step during Form 471 training!

Purpose of Contracts Module

- When completing a Form 471 Funding Request on the 471, you must indicate how you will be purchasing the requested services – either via a Contract, Tariff or Month-to-Month (MTM) basis:

- 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

Step 6b: Filing the Form 471

Purpose of the Form 471

- Filed **annually** by entity that actually pays the bills (the Billed Entity)
- Formally requests E-Rate funding commitments from USAC
- Asks detailed questions about services or equipment
- Shows which entities are receiving service
- 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

When and How Many to File

- **471 Application Window: early January – mid March**

  Do **NOT** miss this deadline!

- Must be filed in EPC
- Category 1 and Category 2 **must** be filed on separate applications
  - Multiple applications are ok within the same category of funding
- Read the listserv messages for important filing tips

Please plan on attending the Form 471 workshop in January/ February

Step 7: PIA Application Review

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 471 main contact will receive an email notification that PIA questions are pending in EPC about their application
- Applicants have 15 days to respond
  - Can seek a single, 1-week extension
- PIA will notify if they intend to deny or reduce request

Step 8: USAC Issues Funding Decisions

FCDL = Funding Commitment Decision Letter

- Funding "waves" are released weekly
  - Goal is to have all "workable" applications funded by Sept 1
- FCDLs emailed to Form 471 contact and EPC AA
- Gives approval decisions for each funding request (FRN) 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

Form 486 Receipt of Services Form

- Informs USAC that services have (or will) **start**, and
- Informs USAC that your school or library is **CIPA** compliant

- Can only be filed after the FCDL has been issued
- No applicant or vendor reimbursement forms can be paid until the Form 486 has been submitted and approved
- Form 486 is **very** simple! Almost all data fields pre-populated

Deadline: 120 days after FCDL date or October 29, whichever is later

- Can be filed immediately after FCDL received, **even before July 1**
- USAC will deduct 1-month's funding for each month the form is late

CIPA Requirements

Any school or 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
- Schools' (not libraries) Internet Safety Policies must include *"... educating minors about appropriate online behavior, including interacting with other individuals on social networking websites and in chat rooms and cyberbullying awareness and response."*
  - This means that schools are required to teach online safety to students as a prerequisite to receiving E-Rate funding

- Recipients only receiving telecommunications services are exempt from E-Rate CIPA compliance
- Consortium members submit Form 479 to consortium leader certifying compliance in order for consortium lead to submit Form 486

Step 10: Receiving Service/Equipment

- Category 1 services must be delivered between July 1 – June 30
  - Installation may occur as early as January 1 or the contract signing date, whichever is later
  - Services may not BEGIN until July 1
- C2 equipment has an 18-month window to purchase/install equipment
  - May be purchased/installed anytime after April 1 (3 months before funding year begins)
  - Equipment must be purchased and installed by September 30 (3 months after funding year is complete)

FY2026 - Non-Recurring Services/Equipment Purchases - April 1, 2026 - Sept 30, 2027																	
			FY2026 - Recurring Service - July 1, 2026 - June 30, 2027														
Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
2026	2026	2026	2026	2026	2026	2026	2026	2026	2027	2027	2027	2027	2027	2027	2027	2027	2027

Step 11: Paying for Equipment/Services

- Applicant's choice – one of two options
  - **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 you want discounted bills, notify your vendor after contract signing, as soon as you are funded
  - Vendors often have additional form to complete so they know exactly which option is selected, and which account # to discount
- Applicants always must pay their non-discounted share
- Rules require it will be paid within 90 days of receiving service/equipment

Step 12: Requesting Reimbursement

- If applicant pays the vendor invoice in full, applicant submits Form 472 – BEAR Form to USAC for reimbursement
- Must have 'full-rights' permission to file BEAR in EPC
- Calculated based on eligible charges on actual bills

Deadline:

- October 28 (following close of funding year) for recurring services;
- January 28 for non-recurring services/equipment
- Can request 1 extension if the request is submitted by the original invoice deadline

Reimbursement Method - BEAR

- USAC reviews/approves BEAR and sends payment to the applicant's bank account via EFT
- School/Library bank account info would have been submitted on Form 498
  - Only submitted once (update, if needed)
- To determine if you have an approved Form 498:
  - Log into EPC > Records > Form 498s > Click on 498 if one is showing
  - If no 498 is showing, then there isn't one on file with USAC

Discounted Bills Method - SPI

- Vendor applies E-Rate discounts to invoice(s)
- Vendor submits Form 474 SPI to USAC to seek reimbursement

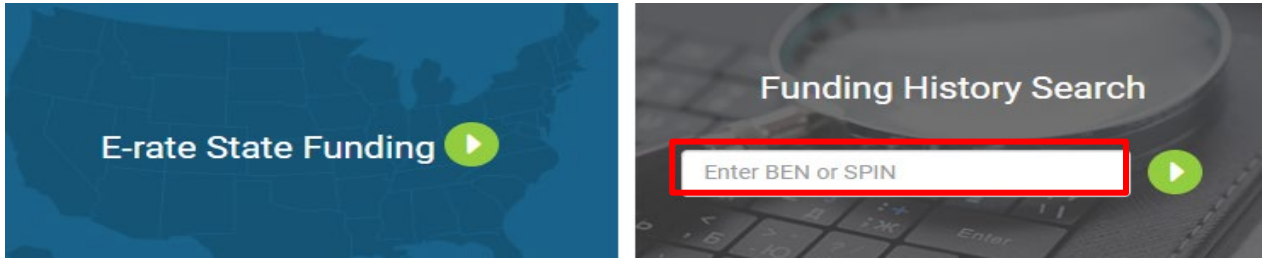
- Applicants' responsibilities?
  - Notify the vendor you want discounted bills
  - Review invoices to ensure discounts are properly applied
  - File timely Form 486 so the vendor can invoice USAC

Record Retention

- Rules require all documents related to E-Rate rule compliance be kept for 10 years from last date to receive service (essentially 11 years)
- List of documents required to be kept:
  - http://e-ratepa.org/wp-content/uploads/2014/03/Beneficiary-Initial-Request-List.xlsx
  - RFPs, winning and losing bids, contracts, invoices, asset inventories, CIPA policies, etc.
- Asset Inventories - important
  - All audits require this to be submitted
  - Sample: http://e-ratepa.org/wp-content/uploads/2014/03/Asset-Register-Sample.xlsx

Quick Way to Your Funding Information

Go to: www.E-Ratecentral.com



E-Rate Utilization Summary Chart

FY: 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | All

FY	Requested FRNs	Funded FRNs	486 on File	Requested Amount	Committed Category 1	Committed Category 2	Total Committed	Total Disbursed	Remaining Balance
2025	1	1	1	$13,650.62	$13,650.62	$0.00	$13,650.62	$0.00	$13,650.62
2024	3	3	3	$25,255.52	$11,375.52	$8,350.00	$19,725.52	$19,234.27	$491.25
2023	3	3	3	$37,408.02	$11,375.52	$26,032.50	$37,408.02	$37,408.02	$0.00

471	FRN	SPIN	Service Provider	Service*	Original Request	Current Commitment
251021015	2599026407					

471 Information

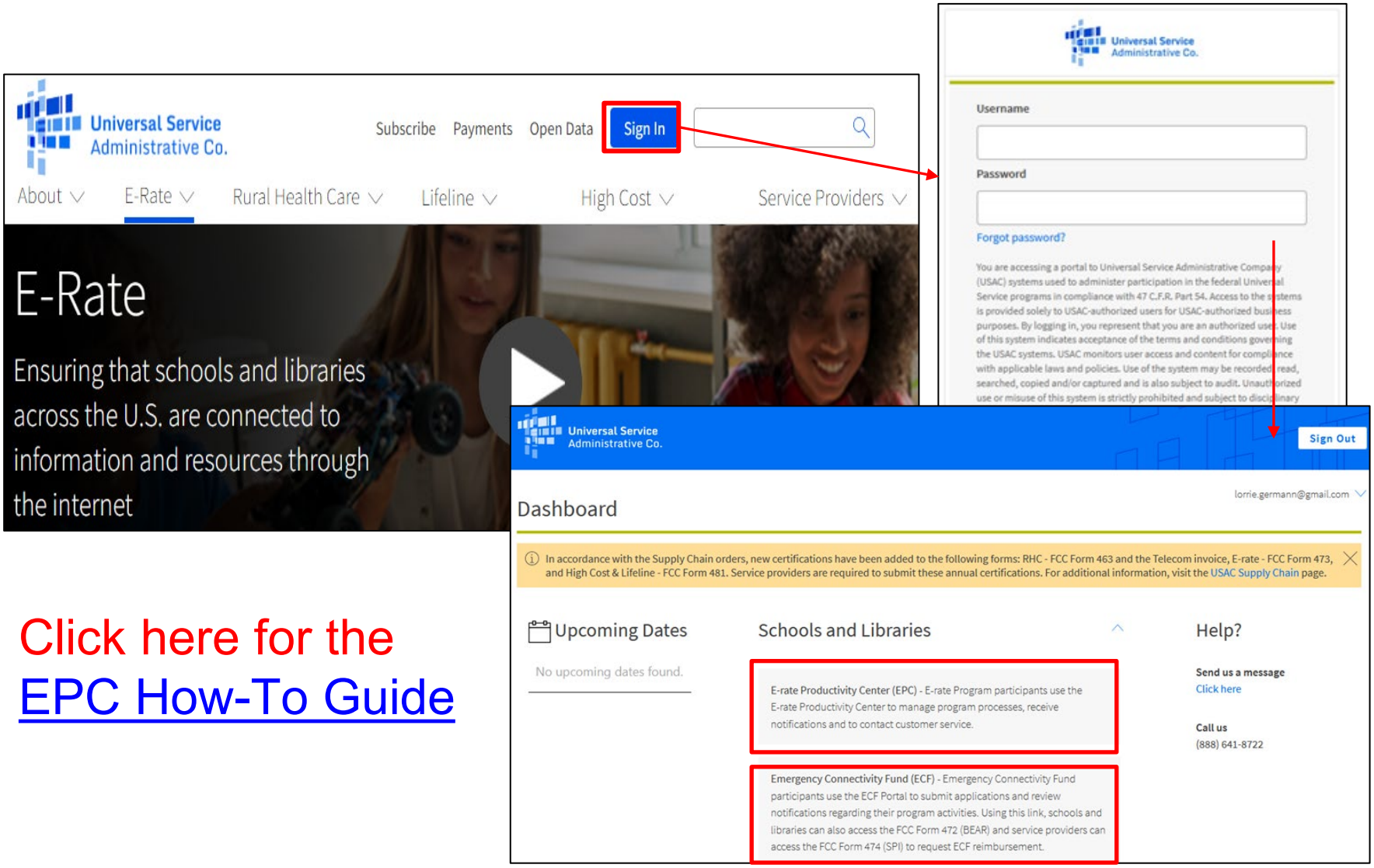
471#:	251016864		
SPIN:	143001654	ABC Local Telecom Company	
Service Type:	Data Transmission and/or Internet Access		
Status:	Funded	**Wave: 1**	**FCDL Date:** 4/26/2025
Status Memo:	• MR1:Approved as submitted.		
Service Start Date (471):	7/1/2025		**Service Start Date (486):** 7/1/2025
Current Commitment:	$25,423.20		**Payment Mode:** NOT SET
Disbursed Amount:*			**Undisbursed:** 25423.20
Last Date of Service:			**Last Date to Invoice:** 10/28/2026

1. Enter your Billed Entity Number.
2. Click on Funding Year
3. See your 471, FRN, and SPIN information.
4. Click on the FRN number to see full detail

Let's Peek into EPC …

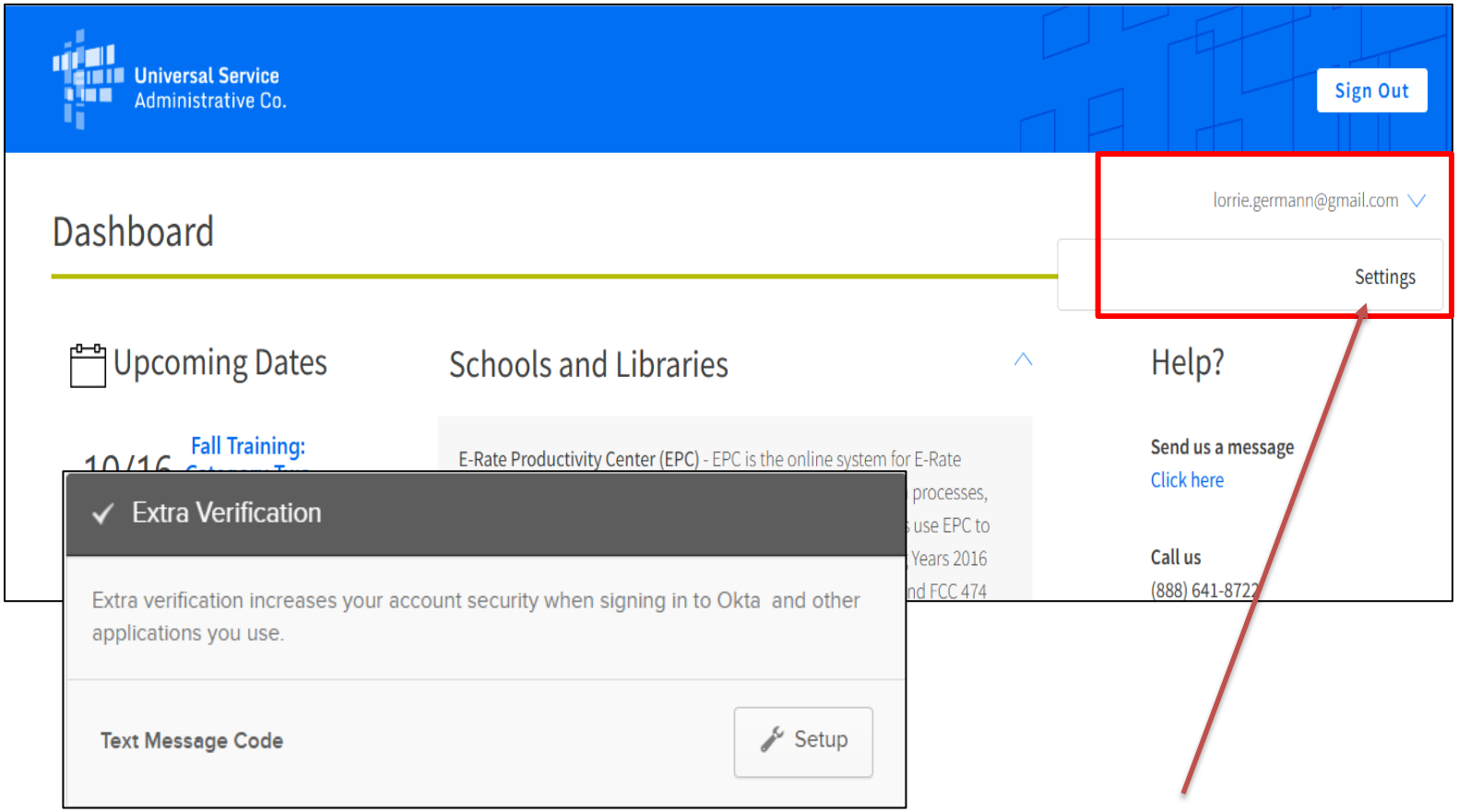
Find Sign-In at: https://www.usac.org/e-rate/

After logging in and entering the one-time verification code, you'll see the One Portal Dashboard.



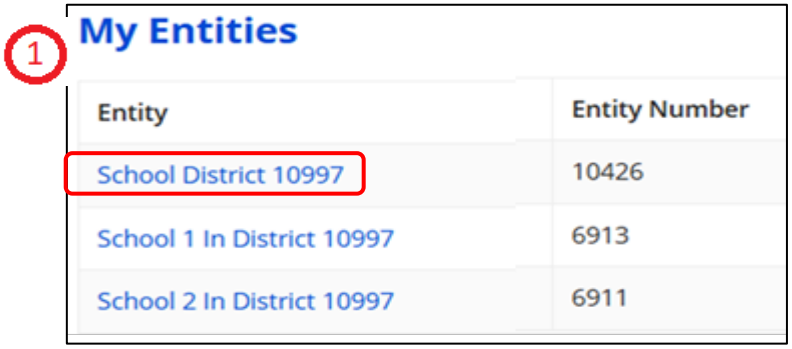
Click here for the EPC How-To Guide

Portal Access – Add Text MFA Option

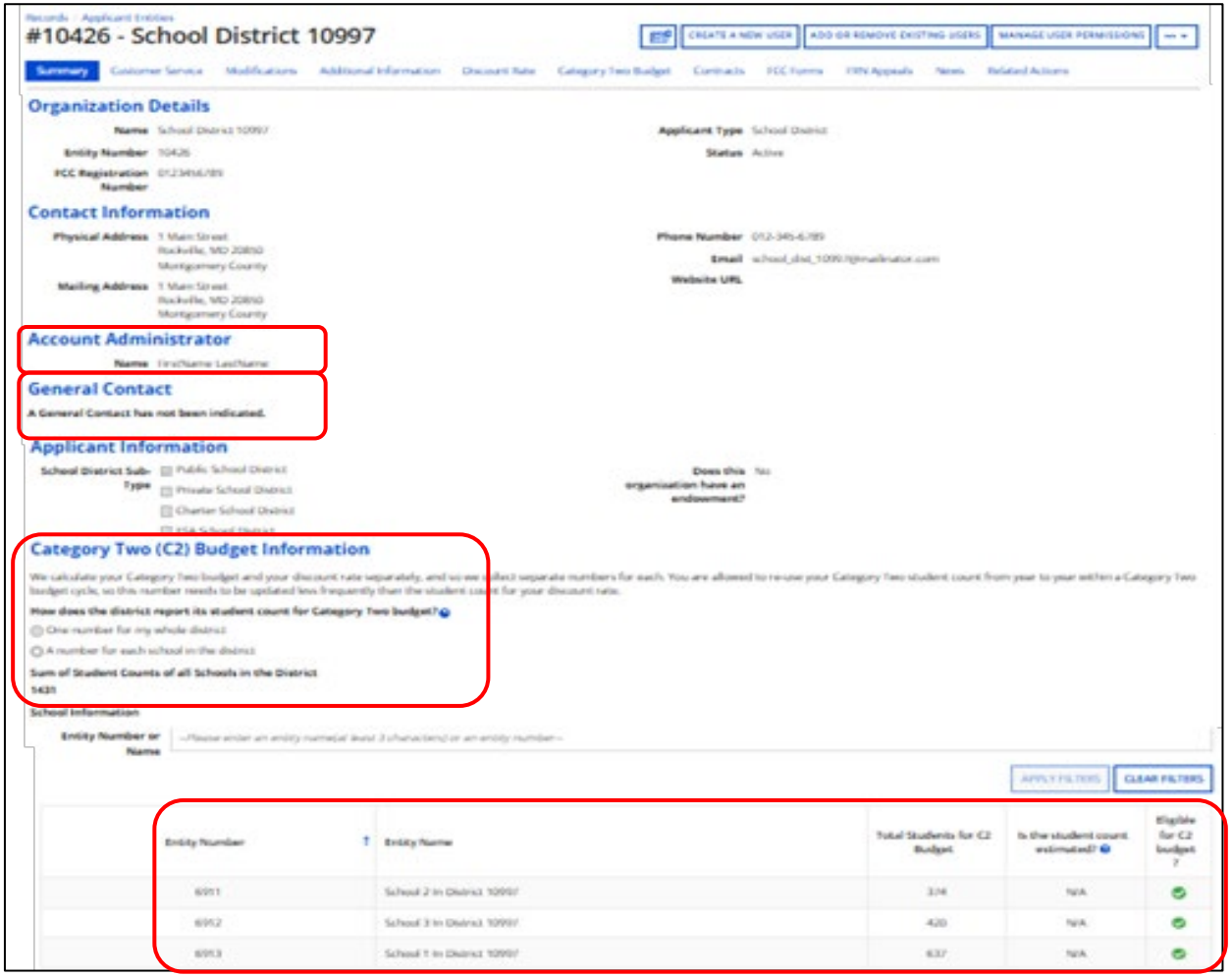


After initially logging in, but before clicking on “EPC”, click on the pull-down to the right of your username to see “Settings”. Scroll down to see “Extra Verification” and click on “Setup”. Provide your phone number and enter the code you’ll receive on your phone, then “Verify”, and “Done”.

Category 2 Budget Tool

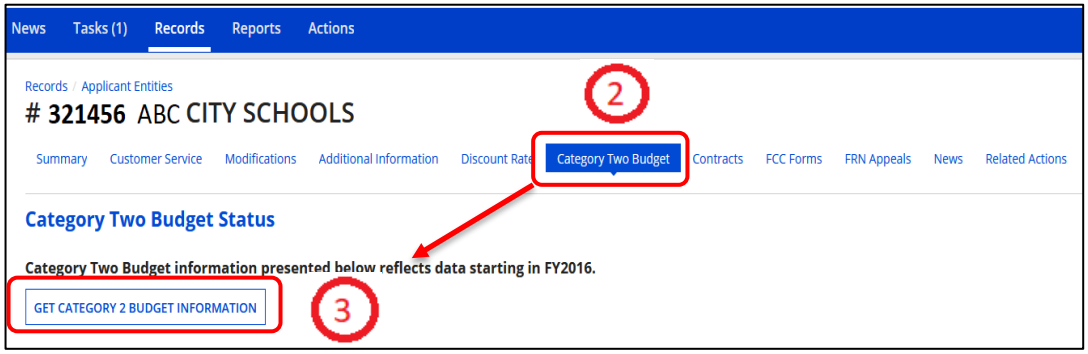


Click on the name of the Billed Entity under "My Entities" (first in list) to see a summary of information, such as the name of the Account Admin and General Contact.

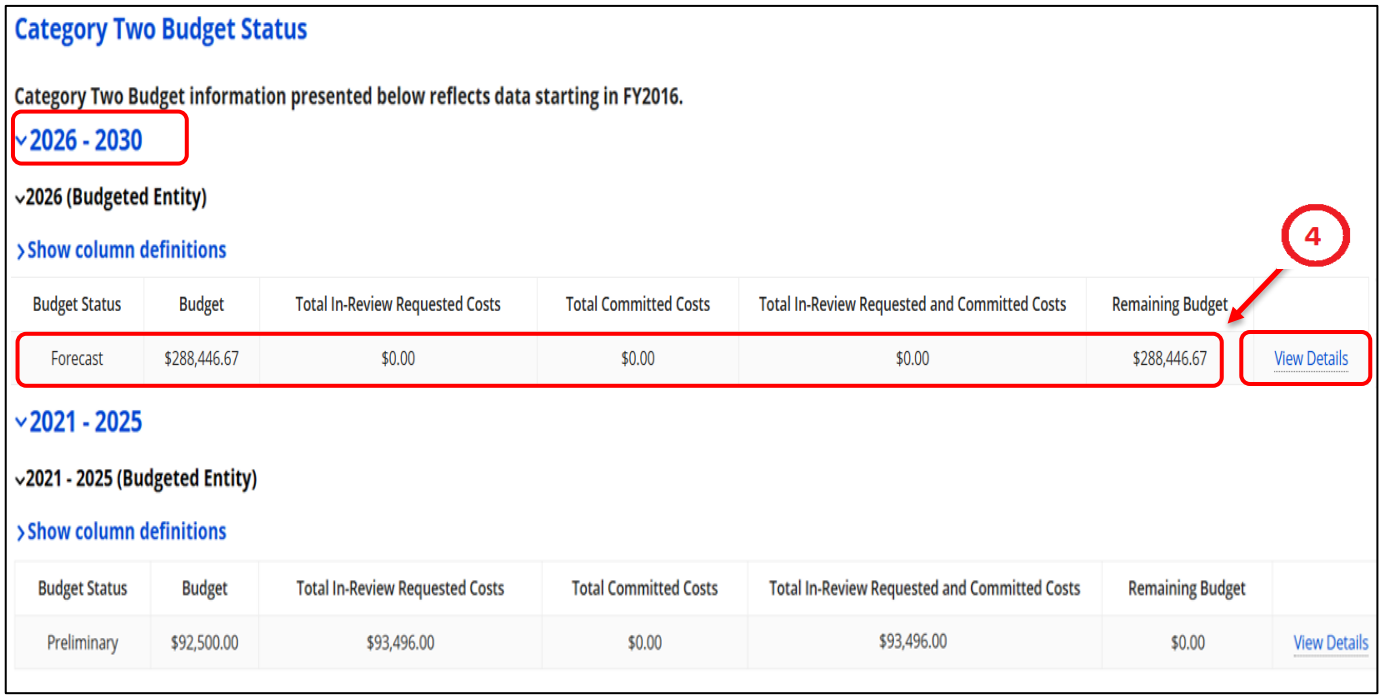


At the bottom of the page, you will see how your Cat 2 budget is calculated, one number for the district, or a number for each school. If you have 10 schools or less, and any have fewer than 150 students, use this option.

Category 2 Budget Tool

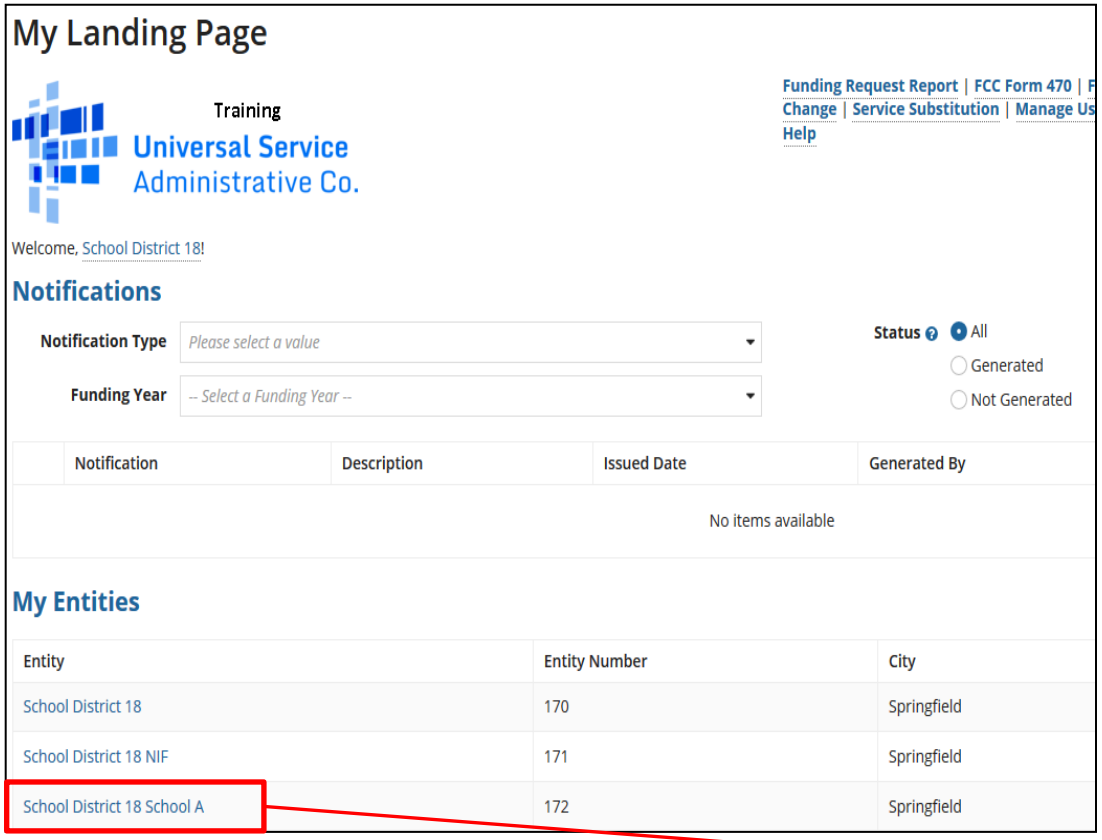


Click on "Category 2 Budget" and then "Get Category 2 Budget Information".



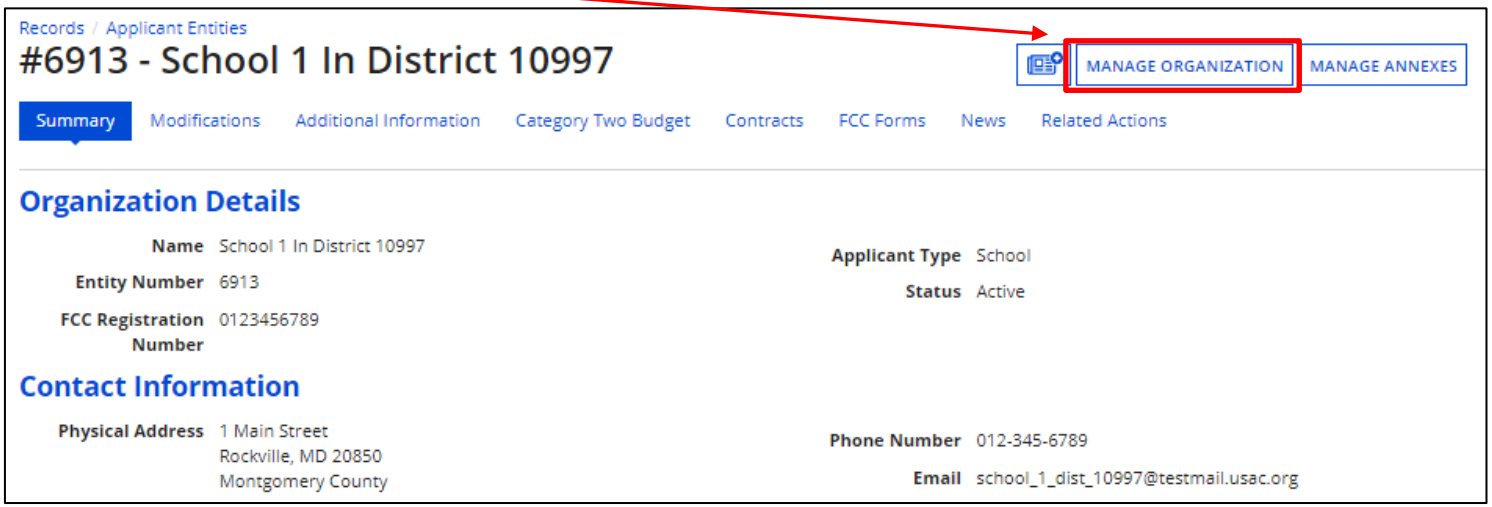
The new budget "forecast" is listed based on the total square footage reported. Clicking on "View Details" will show the funding breakdown by funding year.

School Detail Page

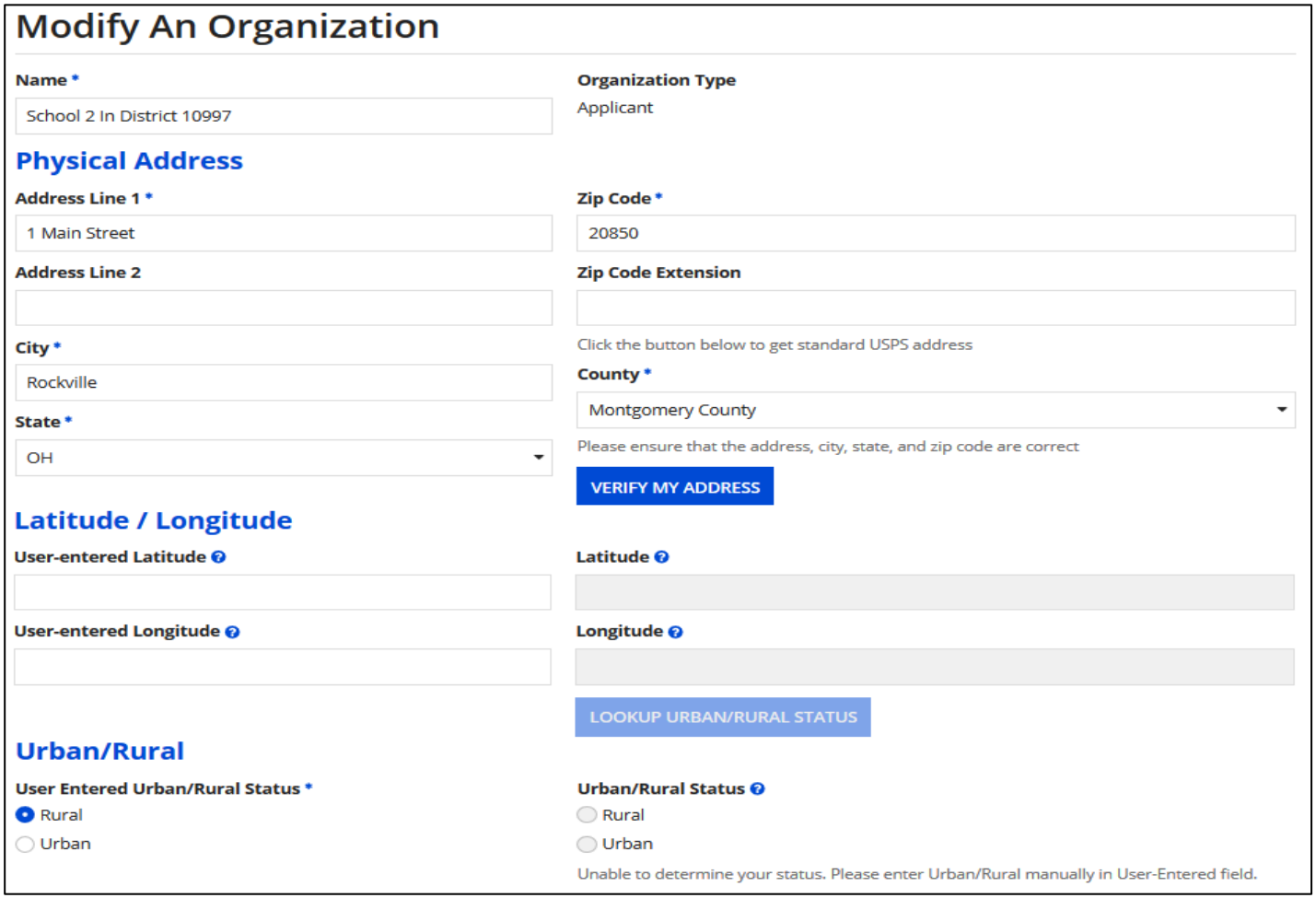


Click on the name of each school, and then “Manage Organization”, to edit information pertaining to this building, such as Student or NSLP Counts.

Note: You also have the option to provide information if there is an annex associated with this school.



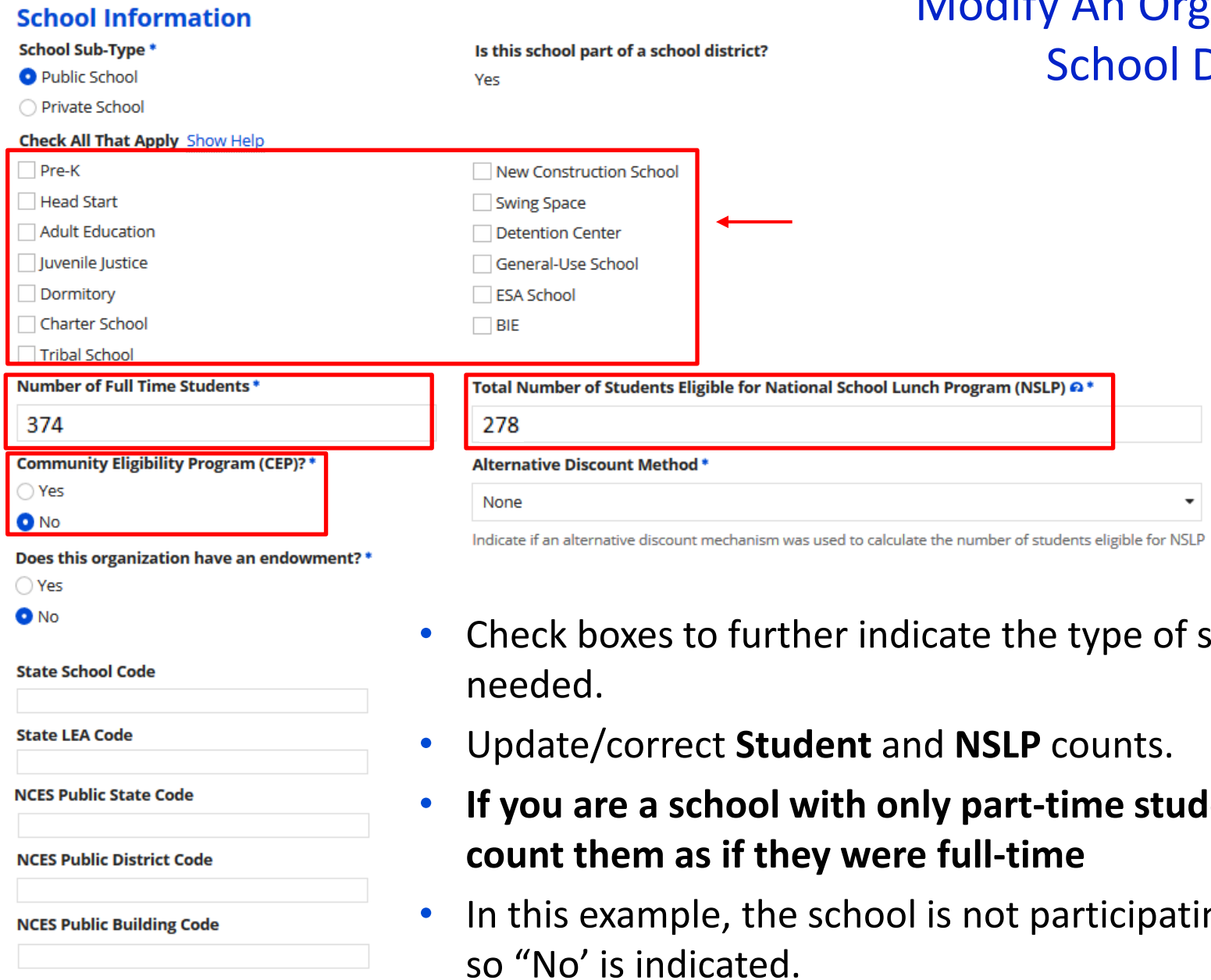
Modify An Organization - School Detail View



View after clicking on “Manage Organization.” Here, you can correct the building address if needed. You will also update enrollment and NSLP counts per school.

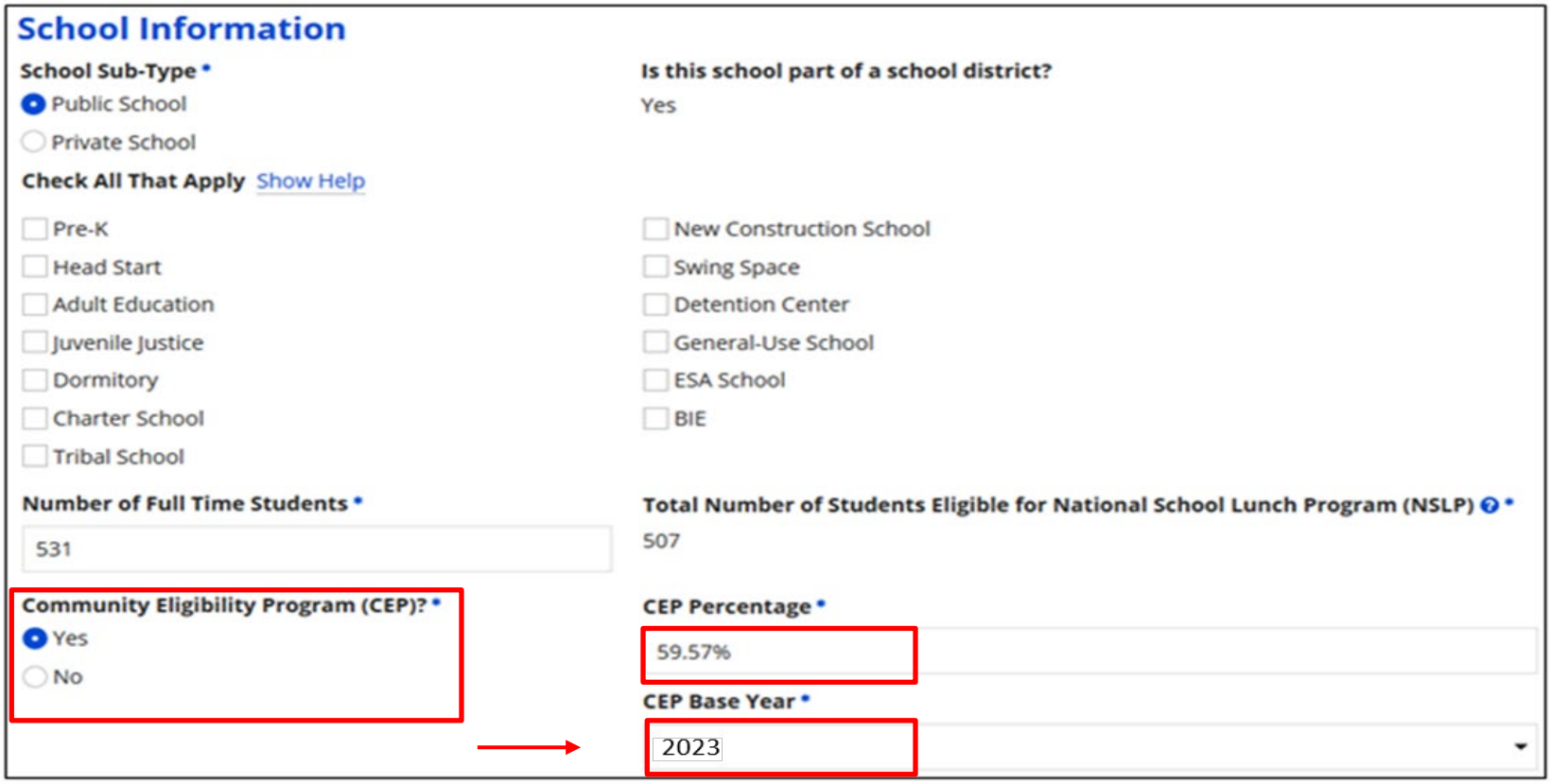
Just keep scrolling down; it’s a really long screen!

Modify An Organization - School Detail View



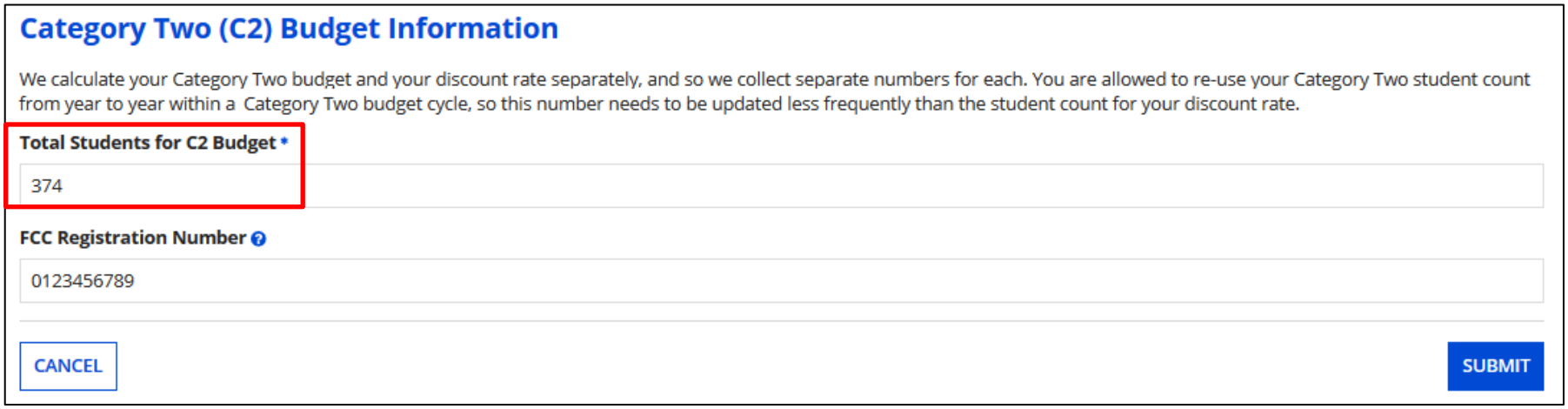
- Check boxes to further indicate the type of school if needed.
- Update/correct **Student** and **NSLP** counts.
- **If you are a school with only part-time students, count them as if they were full-time**
- In this example, the school is not participating in CEP, so “No’ is indicated.

Modify An Organization - School Detail View w. CEP



- If participating in CEP, do not enter the NSLP count, the portal will calculate that for you.
- Select “Yes” for CEP and enter the “CEP Percentage”, which will replace the “Alternative Discount Method” field.
  - If you used CEP last year, that information will be shown. Update if needed.
- **We must provide the CEP Base Year**. If this has changed, be sure to update.

Modify An Organization - School Cat 2 Enrollment



- The Cat 2 budget and the discount rate are calculated separately. **You must update the enrollment to start the new 5-year budget cycle.** You can keep the same Cat 2 moving forward through the new budget cycle, but if your enrollment increases later in the cycle, you can update it. **If this is "New Construction" or "Swing Space", the count will be "zero"**
- Click on "Submit" and provide a nickname for the changes made (such as "ABC School FY2026 counts").

What's Next? Get Started Now!

- Administrative Window Updates (after 10/15)
  - Schools - Update enrollment/NSLP in EPC
  - Schools - Update C2 enrollment, if increase
- Review Category 1 contract
  - Need more bandwidth?
  - Contract expiring June 2026?
  - File FY 2026 Form 470s by early December
- Determine what Cat 2 equipment will be needed in the upcoming year for schools or libraries
  - File FY 2026 C2 Form 470s by Thanksgiving
    - PEPPM Option for Public Schools – **Wait until Jan. 2nd! But start planning now!**

Make and follow your FY 2026 E-Rate Plan!

Where to Go for E-Rate Help

- **USAC's Client Service Center (CSC)**
  - E-Rate "Help Desk" where applicants & service providers can get answers to questions
  - Call **888-203-8100**
  - Submit a 'Customer Service Case' in EPC
- **PA E-Rate Coordinator**
  - E-mail lgermann@e-ratepa.org
  - Attend webinars!
  - Read listserve messages! https://e-ratepa.org/?page_id=7751
  - www.e-ratepa.org
  - Helpful Documents: http://e-ratepa.org/?page_id=754
  - Training: http://e-ratepa.org/?page_id=745

QUESTIONS