E-Rate Overview

We are currently waiting for all participants to join. We will start momentarily...
Agenda

- What is E-Rate?
- What is the E-Rate Application Process?
- What is the E-Rate Timeline?
- What is E-Rate Eligible?
- What is My E-Rate Discount?
- What is My E-Rate Budget?
- What are the compliance rules with E-Rate?
What is E-Rate?

- Federal program to help schools and local libraries gain access to broadband services down to the classroom level

- Federal Communications Commission (FCC) creates rules for the program

- Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) manages the program

- Annually funded $3.9B
E-Rate Funding Year 2020 “Gap” Year

- E-Rate FY2020 will follow the same rules from FY15-FY19
- No additions to the eligible products and services
- All E-Rate entities received 20% increase to E-Rate budgets
  - Budget calculation per student: $195.63 per student
- “USE IT OR LOSE IT” year
E-Rate Application Process

**COMPETITIVE BIDDING**
- Request services by submitting FCC Form 470 for bids
- Evaluate bids received

**APPLYING FOR DISCOUNTS**
- Seek discounts for services by submitting FCC Form 471 within the filing window
- Program Integrity Assurance (PIA) review

**SERVICES START**
- Confirm to USAC that services have started and report CIPA status by submitting FCC Form 486
- Submit FCC Form 498 to receive an applicant 498 ID for direct BEAR payments

**INVOICING**
- If requesting reimbursement from USAC for services paid in full, submit FCC Form 472 (BEAR)
- Receive BEAR reimbursement from USAC

**METHOD #1:**
- Submit FCC Form 498 to receive an applicant 498 ID for direct BEAR payments

**METHOD #2:**
- If requesting reimbursement from USAC for approved discounts provided on services, submit FCC Form 474 (SPI)
- Receive SPI reimbursement from USAC

**WAIT AT LEAST 28 DAYS**
- The competitive bidding process must be open for at least 28 days

**SELECT A SERVICE PROVIDER**
- Sign a contract or arrange for tiered or month-to-month services

**DETERMINE INVOICE METHOD**
- During this time, work together to choose an invoicing method: BEAR or SPI

**RECEIVE FUNDING COMMITMENT**
- Receive Funding Commitment Decision Letter (FCDU) from USAC

**COMPLETE INVOICE REVIEW**
- Correct errors and resubmit forms if necessary

**APPLICANT**

**SERVICE PROVIDER**
- Review posted FCC Forms 470 and respond to applicant with bids for services requested
- Provide assistance to applicant as needed
- Certify compliance with program rules by submitting FCC Form 473

CDW.com | 800.800.4239
E-Rate Application Timeline

FUNDING YEAR (FY) 2020
APPLICATION PROCESS TIMELINE

- **July 1 – Feb 26**: FCC Form 470 Competitive Bidding
- **Jan 15 – Mar 25**: FCC Form 471 Filing Window
- **April 1**: BEAR Method Begin
- **April – September**: General Dates for Most Application Review and Funding Commitments
- **July 1**: SPI Method Begin
- **July 1 – June 30**: Funding Year Starts (Most Services Start July 1)
- **July – September 30**: Invoicing for Eligible Services & Equipment Ship Deadline

**April 1, 2020**: BEAR Method Begin
**July 1, 2020**: SPI Method Begin
**July 1 – June 30, 2020**: Funding Year Starts (Most Services Start July 1)

FUNDING YEAR (FY) 2020
APPLICATION PROCESS TIMELINE

- **April 1**: BEAR Method Begin
- **July 1**: SPI Method Begin
- **July 1 – June 30**: Funding Year Starts (Most Services Start July 1)
- **July – September 30**: Invoicing for Eligible Services & Equipment Ship Deadline
E-Rate Eligibility

**Category 1 or CAT 1 – C1**
- Broadband Services/Internet Access
- Fiber Optics, T1 & T3 Line, etc
- Satellite Service
- Microwave Radio
- Self-Provisioned Network
- Multi-Protocol Label Switching (MPL9)

**Category 2 or CAT 2 – C2**
- Internal Connections (IC)
  - Wiring, routers, wireless access points, switches, basic firewall, servers (for caching only)
- Managed Internal Broadband Services (MIBS)
- Managed WIFI
- Basic Maintenance of Internal Connections (BMIC)
  - Warranty extensions for approved internal connections
  - Bug fixes, software upgrades, and security/software patches
More on C2 Eligibility - Internal Connections

Eligible Internal Connections
- Access points
- Cabling
- Caching
- Basic Firewall Services
- Switches
- Routers
- Racks
- UPS
- Wireless LAN Controllers

- Improvements, upgrades and software necessary to support eligible broadband internal connections components
- Functionalities listed here that can be virtualized in the cloud, and equipment that combines eligible functionalities are also eligible.

Miscellaneous
- Taxes, surcharges and other similar reasonable charges
- Lease fees to rent or lease eligible components
- Shipping charges
- Installation and configuration
E-Rate Discount

Funding is need-based on:
1) Free and reduced school lunch programs (NSLP)
2) Urban vs Rural schools based on population density and geography

Discount is district wide

<table>
<thead>
<tr>
<th>% of NSLP</th>
<th>Urban discount</th>
<th>Rural discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 1</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>1 - 19</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>20 - 34</td>
<td>50%</td>
<td>60%</td>
</tr>
<tr>
<td>35 - 49</td>
<td>60%</td>
<td>70%</td>
</tr>
<tr>
<td>50 - 74</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>75 - 100</td>
<td>85%</td>
<td>85%</td>
</tr>
</tbody>
</table>
How the Budget Works
- Over 5 years
- Category 2 only
- Per school building
- Rolling budget

Total District Budget
- Break down by school building
- Non-Instructional Facilities (NIFs) do not have their own budgets

Remaining Budget
- Determine remainder by building
- FY15 funding unused by Sept 30, 2016 will go back to budget*
- File Form 500 for Funding Request Adjustment

**FY2020 UPDATE:**
- Maximum budget amounts increased by 20% per school entity
- FY20 Budget calculation: ($195.63 x enrollment count) – (FY15-FY19 Budget Utilization)
- Use it, or lose it year

$150/student
Enrollment X $150
Reduce for Funding requested in FY15 & FY16
Budget Example

Each school can request up to $150 per student over a five year period of time or $9200 per school at minimum for smaller school.

1,000 enrollment, 85% discount district

1,000 students

1,000 x $150 budget (per student)

$150,000 Pre-discount ERate eligible amount

1,000 x 85% E-Rate discount rate (based on free and reduced lunch and urban/rural status)

$127,500 ERate discount amount

$ 22,500 District responsible amount

$150,000 Pre-discount E-Rate eligible amount
RFP’s are not required
• Applicant should have >3 responses
Applicant must choose most cost effective solution
• Price must carry most weight
All pricing will be made public by USAC
Keep all documents for 10 years
• RFPs or similar documents
• All bid responses and correspondence
• Contracts, service agreements, addendums, etc.
• Purchase requisitions, POs, packing
• FCC forms and letters received from
• USAC (e.g., FCC Forms 498, 474)
• Service provider price listings

• slips, customer bills
• Delivery and installation records
• Maintenance logs
• Payments (canceled checks, credit card receipts, ACH transactions)
• USAC-approved SPIN changes and/or service substitutions (request, supporting documentation, and approval)
• USAC-approved invoice deadline extension, service delivery and service substitution (request, supporting documentation, and approval)
• Documents used to prepare forms
Purchasing E-Rate Funded Equipment

FCC Form 472 - Billed Entity Applicant Reimbursement (BEAR)
• Order equipment and pay in full
• Receive Funding Commitment Decision Letter (FCDL)
• Applicant files and gets paid directly

FCC Form 474 - Service Provider Invoice (SPI)
• Receive FCDL
• Order equipment and pay applicant portion (15%)
• Service Provider files and gets E-Rate portion
Program Compliance

Applicants CAN

- Determine the types of service you will seek on an FCC Form 470
- Prepare, fill out, sign and certify the FCC Form 470
- Negotiate with prospective bidders
- Run the competitive bidding process

Applicants CANNOT

- Have a relationship with service providers that would unfairly influence the outcome of the competition
- Furnish service providers with inside competitive information
- Violate applicant’s own ethical regulations policy or state/local procurement rules
- Fail to describe the desired products and services with sufficient specificity to enable interested parties to bid
- Receive gifts or donations from service providers that violate FCC rules or seek to circumvent FCC rules
Program Compliance

Applicants and Service Providers CAN

- Have pre-bidding discussions
  - Discuss new product offerings
  - Teach applicants about new technologies
  - Present product demonstrations
- Provide or receive *de minimis* items
  - Modest refreshments, not offered as a part of a meal
  - Items with little intrinsic value such as certificates and plaques
Additional Resources

USAC: https://www.usac.org/e-rate/

- E-Rate Applicant Process
- Eligible Services List
- Competitive Bidding
- Open & Fair Process
Thank you!