TIPS FOR GETTING THE MOST OUT OF YOUR E-RATE FUNDING

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Your Complete IT Resource

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The FCC's E-Rate program makes telecommunications and information services more affordable for schools and libraries. With funding from the Universal Service Fund, E-Rate provides discounts for telecommunications, Internet access, and internal connections to eligible schools and libraries. We hope this guide will be a useful tool as you navigate the recent changes to these programs and strive to meet your technology goals.

If you haven't already, check out USACs E-Rate Overview: www.usac.org/e-rate/get-started

THE LATEST E-RATE NEWS & UPDATES

- ☑ The Form 471 window opens January 17 and closes March 27. The last day to file a Form 470 is 2/28/24.
- ☑ School Bus Wi-Fi service and equipment are both eligible for e-rate under Category 1. Eligibility includes hardware and service plans. Schools with rural designations are able to apply for multiple service contracts in order to ensure complete coverage of rural areas.
- ☑ The FCC extended the deadline for all first and second window ECF applications to June 30, 2023. Applicants who had voluntarily reduced commitments prior to the extension were directed to seek waivers to have the original funding commitment restored.
- ☑ It is recommended that applicants and Service Providers include a 10% contingency in all Internal Connections 471 applications as a Miscellaneous - Taxes and Fees. This should be initially requested on the Form 470.
- ☑ The FCC has issued a Notice of Proposed Rulemaking (NPRM) regarding an E-Rate bidding Portal. An NPRM contains proposed changes to the Commission's rules and seeks public comment on these proposals.
- ☑ There is also a move to make Cyber Security E-Rate eligible, but the time line and parameters are undefined.

THINGS YOU SHOULD KNOW

- ☑ **Applying for Wireless School Bus Service:** It is recommended you do a separate 470 for Bus Wi-Fi as it requires an RFP. Once the Form 471 becomes available that allows applicants to apply for Wireless School Bus Service, USAC also recommends that:
  - ➢ Schools submit a separate FCC Form 471 for Wireless School Bus Services.
  - ➢ Use "School Bus Wi-Fi" or similar name as the FCC Form 471 nickname.
  - ➢ List all schools as recipients of service that will be served by the buses.
  - ➢ Clearly explain the number of buses on your request in the FRN Narrative.
- ☑ When Applying for Category 2 services, applying for all 3 Sub Categories (MIBS, Internal Connections and Maintenance) when filing your 470 will allow you flexibility if there are problems later on during the review process.
- ☑ Bulk Upload Templates: Applicants with large numbers of eligible services and/or large numbers of recipients of service may want to prepare funding request data by completing the following bulk upload templates and then uploading the data to their FCC Form 471.
  - ➢ The current version of the templates and their version numbers are provided below.
  - ➢ Category One - Data Transmission and/or Internet Access (v21.0)
    *Note: Do not use the Category One template for any fiber requests.
  - ➢ Category Two - Internal Connections (v21.0) - click for link
  - ➢ Category Two - Basic Maintenance of Internal Connections (v21.0)
  - ➢ Category Two - Managed Internal Broadband Services (v21.0)
  - ➢ **Related User Guide:** FCC Form 471 Bulk Upload User Guide
  - ➢ Beginning in 2021, all budgets began being calculated based on the entire school district enrollment, as opposed to the per school basis E-Rate had been based on historically. This change has made it much easier for schools to focus on projects where the need is the greatest. In addition to that change, smaller qualifying organizations saw the minimum funding floor raised from $9,793.04 to $25,000. Budgets for eligible schools moved up to $167 per student (previously $159), and eligible libraries began being funded at $4.50 per square foot (previously $2.45). NOTE: 2024/2025 is the 4th year of the 5-year budget. Budgets will be reset in the 2025/2026 school year for another 5 years.
  - ➢ E-Rate C2 Budget Tool FY2021+- click for link

WHO QUALIFIES FOR E-RATE:

PUBLIC SCHOOL DISTRICTS (K-12)
- Must be a non-profit institutional day or residential school, including a public charter school & parochial.
- Must not have an endowment exceeding $50 million.
- Pre-kindergarten - Head Start depends on state (Ex. in Texas if HS is part of a School District it is eligible - CA eligible)
- Juvenile Justice

PUBLIC LIBRARIES
- Budget must be completely separate from any schools.
- Must not be operating as a for-profit business.
- Discount tied to the schools discounts for the region the library serves

ELIGIBLE BROADBAND INTERNAL CONNECTIONS

- ✓ Antennas, connectors, and related components used for internal broadband connections
- ✓ Cabling
- ✓ Caching
- ✓ Racks
- ✓ Routers (includes SD-WAN)
- ✓ Switches
- ✓ Uninterruptible Power Supply (UPS)/ Battery Backup

- ✓ Basic firewall services & firewall components separate from basic firewall protection provided as a standard component of a vendor's Internet access service
- ✓ Wireless controller systems
- ✓ Access points used in a local area network (LAN) or wireless local area network (WLAN) environment (such as wireless access points)

- ✓ Software supporting the components on this list used to distribute high-speed broadband throughout school buildings and libraries (applicants should request software in the same category as the associated service being obtained or installed)

NOTES:
- Functionalities listed above that can be virtualized in the cloud, and equipment that combines eligible functionalities, like routing and switching, are also eligible.
- A manufacturer's multi-year warranty for a period up to three years that is provided as an integral part of an eligible component, without a separately identifiable cost, may be included in the cost of the component.
- Caching is defined as a method that stores recently accessed information. Caching stores information locally so that the information is accessible more quickly than if transmitted across a network from a distance. A caching service or equipment that provides caching, including servers necessary for the provision of caching, is eligible for funding.
- Applicants may request both equipment and the software necessary to use the equipment on the FCC Form 470, or request just the equipment on the FCC Form 470, and still receive support for both the equipment and the software necessary to use the equipment (e.g., right-to-use software or client access licenses) by requesting the equipment and software either together or separately on the FCC Form 471. However, software upgrades and patches, including bug fixes and security patches, are considered basic maintenance of internal connections, and as such, applicants should seek bids for basic maintenance of internal connections if they intend to request funding for these services.

APPLYING FOR E-RATE FUNDING

There are so many things to keep top of mind when you are beginning the E-rate funding application process.Making sure to follow all of the guidelines for an open and fair competitive bidding process is very important and often underestimated. If an audit finds that a school or library has not followed those guidelines, they will either not be funded, or have to pay back the money if they have already been awarded the funds. No one wants to find themselves in that situation. Here are a few things to keep in mind:

- ☑ It is very important that you do NOT accept any quotes before your 470 is posted.
- ☑ Make sure you track the product delivery and get an RMA with a return receipt for any demos, POCs, or evaluation gear.
- ☑ According to the latest training sessions and guidance from USAC, product evaluations during the 470 period are limited to 15 days.
- ☑ Outside of the 470 (Competitive Bidding Period) product evaluations are also allowed within reason; however, you should always keep the gift rule in mind.
- ☑ Though price must be the heaviest weighted factor, the FCC does allow applicants to consider additional factors, including whether a product can be integrated into their existing infrastructure and prior experience with vendors or service providers.
- ☑ **USAC guidance for your Form 470 for Wireless School Bus Service:**
  - ➢ Narrative: "Applicant seeks bids for wireless school bus service and (if applicable) associated equipment to make the service functional to provide Wi-Fi. Reference the associated "RFP" document for additional information."
  - ➢ When creating new service request, select the following EPC Guiding Statements in sequential order:
    - ✓ I seek bids for internet access and/or data transmission service.
    - ✓ I seek bids for Internet access and data transmission service (provided over any combination of transmission medium, e.g., fiber-only networks, fiber/non-fiber hybrid networks, or non-fiber networks such as cable, DSL, copper, satellite, or microwave).
    - ✓ I seek bids for data plans or wireless adapters (Air Cards) for mobile devices for commercial wireless service for a school or library that does not have an existing broadband internal connections.

Many states have active designated State E-Rate Coordinators who can help you with questions through the process free of charge. We highly recommend using these resources or hiring a consultant if one is not available to you and you don't have the time to commit to the process. Hiring a good consultant may cost money up front, but could easily end up saving you time and money in the long run.

View the SECA (State E-Rate Coordinator's Alliance) Coordinator Directory: https://secaerate.net/directory

THE COMPETITIVE BIDDING PROCESS

Allows applicants to identify and request products and/or services so that potential service providers can review those requests and submit bids for them.

1. GET READY TO FILE
- ✓ Perform a needs assessment
- ✓ Review your state/local procurement rules
- ✓ Review the Eligible Services List

2. FILE & CERTIFY AN FCC FORM 470
- ✓ No service provider who will bid on your 470 can help you file
- ✓ You may or may not wish to file a Request for Proposal (RFP)
- ✓ Note: Special rules apply for Low Cost, High Speed Access and Fiber/Self-Provisioned Networks
- ✓ After you certify your FCC Form 470, USAC issues a Receipt Notification Letter (RNL)

3. ENSURE AN OPEN & FAIR PROCESS
- ✓ Provide any FCC Form 470, RFP and other information/updates in EPC for all potential bidders for at least 28 days
- ✓ Utilize a Bid Evaluation Matrix with price of eligible services/equipment as the primary factor.
- ✓ Consider all responsive bids
- ✓ The Bid Evaluation Matrix is subject to document retention rules
- ✓ Abide by the Gift Rules

4. WAIT AT LEAST 28 DAYS BEFORE SELECTING A SERVICE PROVIDER
- ✓ The Allowable Contract Date (included in your RNL) is 28 days after the FCC Form 470 is certified
- ✓ The day you certify the FCC Form 470 is day one. If the FCC Form 470 is certified on the 1st of the month, you may select a service provider on or after the 29th of the month
  - If you later change the information needed to respond to the bid, you must restart the 28 days
  - If you issue an RFP on a later date, you must restart the 28 days

* State or Local procurement rules may require a longer waiting period

5. SELECT A SERVICE PROVIDER
- ✓ Prior to certifying the FCC Form 471 and after your allowable contract date
- ✓ Ensure that price is the primary factor in your selection
- ✓ Enter into a legally binding agreement
- ✓ If there is a signed contract, upload it to EPC
- ✓ Bids/quotes should be dated between when the 470 is filed and the available contract date

Be sure to retain all necessary documentation related to your competitive bidding process for 10 years after the last day you receive services.

For more information, visit the USAC COMPETITIVE BIDDING WEBPAGE. If you have any questions, CONTACT USAC.

SUBMIT SIGNED CONTRACTS & FORM 471

Once you have selected the vendor(s) you will be working with, you must receive signed contracts from them before submitting your Form 471. When filing this form, you will need to include documentation detailing the cost, specific products, and services your school, district, or library wishes to purchase and where these items will be deployed. It is important that the items on your 471 match the items you requested on your form 470.

REMAIN RESPONSIVE DURING THE APPLICATION PROCESS

USAC uses a process called Program Integrity Assurance (PIA) to review all E-rate applications. During this process, if the PIA raises any questions or discovers any issues with your application, such as missing documentation, you have 15 days to respond with the correct or missing information. If you don't respond within the allotted 15 days, you may be denied funding.

RECEIVE YOUR FUNDING DECISION

Once your application has been reviewed, the USAC will send you a funding commitment decision letter. If your funding request has been approved, you will need to submit Form 486 before the USAC will release the funds. On Form 486, you must confirm the start date of any services you are receiving funding for and certify that your organization complies with the Child Internet Protection Act (CIPA).

INVOICE USAC

The final step in the E-rate funding process is to submit an invoice for the products or services purchased with the funding to the USAC.

If you have paid your service provider or vendor in full, you can be reimbursed for those funds directly by filling out Form 498 to provide banking information to USAC and then fill out Form 472 (the Billed Entity Applicant Reimbursement or BEAR form) to receive payment.

You may also choose to take the service provided invoicing (SPI) route, in which your service provider will handle the reimbursement process with USAC. As such, your school, district, or library will pay for your small portion of the final bill, and USAC will pay the service provider for the remaining portion of the bill. Make sure to consider service providers with a long history with e-rate to ensure you are getting someone with experience to help you through the process.

Whichever reimbursement method you choose, BEAR or SPI, make sure that your chosen service provider's invoice clearly reflects what you requested on your Form 471. If there are discrepancies between your providers invoice and the Form 471 that was approved, it will cause problems during the following PIA reviews.

WHY PARTNER WITH BYTESPEED?

The experienced team at ByteSpeed has the skills, tools, and connections you need to create a cost-effective project that meets your organization's needs. Our capable engineers have handled e-rate projects for years and our Contact-Free Network Installation is a great way to keep costs down.

The ByteSpeed team would be happy to meet with your team to create a solution that meets your needs and your budget so you can keep your students or library patrons connected and engaged. We also pride ourselves on our excellent customer support skills and knack for customer service. As we love to say, "just make us aware of it and we'll take care of it!"

For more information about accessing E-Rate funding, or to get started the planning phase of your project, please contact our team.

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