Beginners Session

Helping You Succeed

Schools and Libraries Division

Washington, DC • Newark • Atlanta • Chicago • Orlando • Los Angeles • Portland • Houston

September/October 2009

Overview

- General information about E-rate

- Technology planning

- Request services (Form 470)

- Competitive bidding

- Choose/contract for services (Form 471)

- Application review & funding commitments

- Start services (Form 486)

- Invoice USAC (Form 472 or Form 474)

General information

- Federal Communications Commission (FCC), an independent U.S. government agency, oversees the E-rate program

- Universal Service Administrative Company (USAC), a not-for-profit, administers E-rate along with three other programs

- Schools and Libraries Division (SLD) is the part of USAC with responsibility for E-rate

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General information

- **FCC** sets rules and policies through orders
  - Rules are compiled in the Code of Federal Regulations (CFR)
  - Policies are defined in the text of orders
- **USAC/SLD** sets procedures for specific actions, such as how to process applications
  - USAC sends its procedures to the FCC for approval each year

General information

- Commitments for E-rate are made by funding year, which runs from July 1 through the following June 30
  - E.g., FY2010 is July 1, 2010 – June 30, 2011
- Commitments are capped at $2.25 billion for each funding year
  - Once each year, FCC can roll over unused funds from previous funding years into the current funding year

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Timetable

- **Form 470**: File from April before the Window to 28 days before the Window closes
- **Form 471**: Must be filed during the Window, generally mid-November to early February before the start of the funding year
- **Funding waves**: Groups of funding decisions issued after USAC review – waves generally start in April before the start of the funding year
- **Invoices**: Can file after services are received for the funding year

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General information

- Who can apply?
  - Schools and school districts
  - Libraries and library systems
  - Consortia – groups of eligible entities that band together to aggregate demand and negotiate lower prices

General information

- How large are the discounts on eligible products and services?
  - Discounts: 20% to 90% of eligible costs
  - Discount for a school or library depends on:
    - Percentage of eligibility of students for National School Lunch Program (NSLP) in:
      - (for a school) the school
      - (for a library) the school district in which the library is located
    - Urban or rural location of the school or library

General information

What services are eligible?

- **Priority 1** (funded first)
  - Telecommunications Services
  - Internet Access

- **Priority 2** (funded beginning with neediest applicants first)
  - Internal Connections
  - Basic Maintenance of Internal Connections

General information

- How do I file a program form?
  - In general, you have three options:
    - File online, certify online
    - File online, certify on paper
    - File and certify on paper
  - USAC encourages you to file online
    - Online filing speeds processing and reduces errors

General information

- Each time you file a program form, USAC sends you a letter
    - Letters are color-coded by funding year
        - 1998 and 1999   White
        - 2000   Canary (Yellow)
        - 2001   Pink
        - 2002   Blue
        - 2003   Canary
        - 2004   Pink
        - 2005   Blue   etc.

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1. Technology planning

- You must write a technology plan that contains the following elements:
  - Goals and strategies for using technology to improve education or library services
  - Staff training
  - Needs assessment
  - Budget
  - Evaluation plan
- Note: if you are only requesting basic telephone service, a technology plan is not required

1. Technology planning

- **Acronyms and terms**
  - Five elements – the five required topics you must address in your technology plan
  - Technology Plan Approver (TPA) – the agency certified by USAC that approves your technology plan
  - Basic telephone service – no-frills dial-tone service (wired or wireless)

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2. Request services (470)

- You post a Form 470 to:
  - Open a competitive bidding process
  - Notify potential bidders (service providers) of the types and quantities of services that you need
  - Define the scope of your needs (e.g., a school building, a library system, a state network)

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2. Request services (470)

- Acronyms and terms
  - Billed Entity Number (BEN) – an identification number assigned by USAC to each school or library building
  - Personal Identification Number (PIN) – a code assigned by USAC to applicants for use in certifying program forms online
    - USAC issues a PIN to every new authorized person filing a paper Form 470, 471, or 486

2. Request services (470)

■ Acronyms and terms (cont.)

– Request for Proposals (RFP) – a bidding document (not required by E-rate) that provides detailed information about your services, locations, bid submission requirements, etc.

• Some states or procurement agencies refer to these documents by other names, e.g., Invitation for Bids (IFB)

- Acronyms and terms (cont.)

  – Form 470 Receipt Notification Letter (RNL) – a letter issued by USAC to the applicant that summarizes the information provided in the Form 470

  – Allowable vendor selection/contract date (ACD) – the date 28 days after the Form 470 is posted to the USAC website

3. Competitive bidding

- When you open a competitive bidding process for your services:
  - Potential bidders have the information from your Form 470 and RFP and can respond to your requests
  - You must ensure that the competitive bidding process is open and fair
  - You must be prepared to evaluate bids

3. Competitive bidding

- Acronyms and terms
  - Bid – A service provider response to your Form 470 and/or RFP that contains services and prices and any other information you have requested
  - Price as the primary factor – In evaluating bids, the price of the eligible products and services must be the most heavily-weighted factor in your evaluation of bids

3. Competitive bidding

- After you close the competitive bidding process for your services (on or after the ACD):
  - You can evaluate the bids received
  - You can choose your service provider(s)
  - You can sign a contract
  - You can post a Form 471

4. Choose services (471)

- You post a Form 471 to:
  - Report information on the service providers and services you have chosen
  - Provide a list of the schools and libraries that will receive services
  - Include discount calculation information including student NSLP counts
  - Certify your compliance with program rules

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4. Choose services (471)

- Acronyms and terms
  - Funding Request Number (FRN) – the identification number assigned to a Form 471 Block 5 funding request
  - Service Provider Identification Number (SPIN) – the identification number assigned by USAC to a service provider
    - Service providers may have more than one SPIN in order to identify separate business units, different states in which they operate, etc.

4. Choose services (471)

■ Acronyms and terms (cont.)

– Non-instructional facility (NIF) – a school building with no classrooms or a library building with no public areas

- NIFs are eligible for Priority 1 services
- NIFs are eligible for Priority 2 services only if necessary to provide effective transport of information to classrooms or public areas of libraries

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4. Choose services (471)

- **Acronyms and terms (cont.)**
  - Item 21 Attachment (Item 21) – the description of services associated with a funding request (Item 21 on Form 471)
    - Item 21 attachments can be submitted online or on paper
    - USAC encourages online filing, especially for simpler applications

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4. Choose services (471)

- Acronyms and terms (cont.)

  - Form 471 Receipt Acknowledgment Letter (RAL) – a letter issued by USAC to the applicant and the service provider that summarizes the information provided in the Form 471

    - Many of the entries on the form can be corrected after submission by using the RAL

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5. Application review

- USAC reviews your Form(s) 471 to:
  - Check the eligibility of the schools and libraries and their discount levels
  - Verify that the services you requested are eligible for discounts
  - Give you an opportunity to make allowable corrections to your form
  - In some cases, ask for additional verification of your compliance with program rules

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5. Application review

- Acronyms and terms

  – Program Integrity Assurance (PIA) – the USAC group that reviews and makes funding decisions on program applications

  – Funding Commitment Decision Letter (FCDL) – a letter issued by USAC to the applicant and the service provider that contains commitment decisions on funding requests

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6. Start services (486)

- You post a Form 486 to:
  - Notify USAC that services have started and invoices for those services can be processed and paid
  - Provide the name of the TPA that approved your technology plan
  - Report your status of compliance with CIPA

6. Start services (486)

- **Acronyms and terms**
  - Form 486 Notification Letter – a letter issued by USAC to the applicant and service provider after a Form 486 has been processed
  - Children's Internet Protection Act (CIPA) – a law with specific requirements on Internet safety policies and filtering

7. Invoicing USAC (472/474)

- Applicants have a choice of two invoicing methods to receive discounts on eligible services:
  - Billed Entity Applicant Reimbursement (BEAR) Form 472
  - Service Provider Invoice (SPI) Form 474

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- **BEAR** Form is filed by the applicant and approved by the service provider after the applicant has paid for the services in full

- **SPI** Form is filed by the service provider after the applicant has been billed for the non-discount portion of the cost of eligible services

- **Acronyms and terms**
  - BEAR Notification Letter – a letter issued by USAC to the applicant and service provider after a BEAR has been processed
  - Quarterly Disbursement Report – a report issued to the applicant detailing all invoicing activity (BEARs and SPIs) during the previous quarter

Getting help

- Client Service Bureau (CSB)
  - 1-888-203-8100
  - Submit a Question
- SL News Briefs
- Tip Sheets
- USAC website – www.usac.org/sl
  - E-rate Binder

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Questions?

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