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Schools and Libraries News Brief

April 24, 2009

TIP OF THE WEEK: If you have not already done so, gather together the backup documents related to your FY2009 application process (copies of technology plans, RFPs, winning and losing bids, etc.) so that you can more easily respond to questions from PIA. The [E-rate Binder information](#) on the USAC website contains a useful list of documents that you may need.

Commitments for Funding Years 2009 and 2008

Funding Year 2009. USAC will release FY2009 Wave 1 Funding Commitment Decision Letters (FCDLs) April 28. This wave will include over \$134 million in funding commitments for approved Priority 1 requests (Telecommunications Services and Internet Access) for schools and libraries at all discount levels.

Congratulations to the first school, school district, library, and consortium to certify a Form 471 for FY2009. Each of these entities has at least one funded application included in this first wave. They are:

School: SKYLINE ELEM & HIGH SCHOOL, Scottsboro, Alabama

School District: NORTH CEDAR COMM SCH DIST, Stanwood, Iowa

Library: VICKSBURG DISTRICT LIBRARY, Vicksburg, Michigan

Consortium: VALLEY LIBRARY CONSORTIUM, Saginaw, Michigan

Funding Year 2008. USAC will release FY2008 Wave 49 FCDLs April 29. This wave will include commitments for approved Internal Connections and Basic Maintenance requests at 88% and above and denials at 86% and below. As of April 24, FY2008 commitments total just under \$2.24 billion.

On the day the FCDLs are mailed, you can check to see if you have a commitment by using USAC's [Automated Search of Commitments](#) tool.

Service Provider Training Registration Continues

Space is still available for the service provider training sessions in Tampa and Phoenix. The [training information page](#) provides registration and hotel information and also includes an email address and a telephone number to call if you have questions about the training.

Both locations will offer a beginners session prior to the general session for those service providers that are new to the program or that would like to get a quick review of the application process.

Due to popular demand, both sessions will also include an update on the Rural Health Care Pilot Program. We have updated the agenda on the USAC website to confirm this. The update will be done by videoconference at both sessions with an opportunity at the conclusion for questions and answers.

Certain Forms 471 Moved In-window

A number of FY2009 Forms 471 were submitted online but were not certified by the close of the filing window. Following the guidance provided in the [Bishop Perry Order \(FCC 06-54\)](#), USAC sent letters to the affected applicants notifying them that they must certify those forms – either online or on paper – on or before March 23, 2009 for them to be considered in-window.

Last week, USAC changed the status of the applications certified by March 23 from "CERTIFIED - OUT OF WINDOW" to "CERTIFIED - IN WINDOW." Applicants can check the status of their applications using either the [Form 471 Status Tool](#) or the [Form 471 Application Display Tool](#).

- **Form 471 Status Tool** - Enter your Billed Entity Number, choose Year 2009, and click "Search." Click "Continue" on the resulting information page. At the top of the next page, you will see your applications listed by Form 471 Application Number and Applicant Form Identifier with the status of each form in the right-hand column.
- **Form 471 Application Display Tool** - Enter the Form 471 Application Number (you do not need the security code), choose the "Original" radio button, and click "Display." The form status is located in the upper left hand corner of the resulting web page.

Earlier this week, USAC issued just under 700 [Receipt Acknowledgment Letters \(RALs\)](#) to the affected applicants. USAC also issued [service provider RALs](#) to the service providers featured on these applications. Because these applications are considered in-window, they are now available for Program Integrity Assurance (PIA) review to begin.

Applicants please note: USAC performs a single update to change the status on all applications successfully certified after the window closed but before the extended certification deadline. Because applicants can postmark a paper certification on the extended due date, it takes several weeks for USAC to be certain that all paper certifications have been received and properly processed and that the list of applications to be updated is both correct and complete. Applicants concerned about being in an out-of-window status for this extended period are encouraged to certify their applications next year before the filing window closes.

Update to Expanded Eligibility of Web Hosting

In the [April 10, 2009 SL News Brief](#), we discussed the expanded eligibility for web hosting services that provide access to intranet or password-protected web pages. We are offering the following additional guidance. Applicants apply for support to host content on the web in two ways. In the first case, applicants can apply for web hosting service, which is eligible in the Internet Access category. In the second case, applicants can apply for discounts on the purchase of a web server, which would be eligible in the Internal Connections category. In either case, applicants are in "control" of their websites.

Distinct from the examples above are websites hosted by application vendors where the applicant is NOT in "control" of the website, such as Student Information Systems vendors or database content vendors. Applicants may store their own data on the company's servers, such as their own student data, or may simply access content provided by the application vendor. Access to the application may be provided over the web, typically behind a user-id and password. Applicants do not control these websites. These websites and the data hosting remain wholly ineligible.

The following principles should be kept in mind for either scenario.

1. USAC will continue **not** to pay for application software on the applicant's own web server or provided through the web hosting service.
2. USAC will continue to pay for web hosting information that the applicant creates on its own website or the website hosted by its web hosting provider.
3. Applicants can place content created by applications either on their own web server or on the site hosted by the web hosting provider.

As is the case today, USAC will not provide any support for third-party applications or database websites that may host applicant data, such as Student Information Systems or databases providing content to libraries. The change that was announced recently in regards to web hosting is that the cost of hosting intranet or password-protected web pages is now eligible. The following, however, continue to be **ineligible**:

- Costs for applications or web-based tools (i.e. templates)
- Web hosting costs for applications or web-based tools
- End-user file storage
- Costs for creating or modifying content

Here are three examples of how costs would be allocated where a service is not fully eligible:

Example 1: The service provided by Vendor A includes web hosting with password-protected pages and a content management system. The web hosting service hosts the applicant's website and the applicant is in control of that website. Vendor A will have to cost allocate the costs

associated with the content management system, including the software cost and any costs for hosting the software on the applicant site. The cost of hosting the newly created content on the applicant's website would be considered eligible.

Example 2: Vendor B is providing a basic web hosting package that includes password-protected web pages at a cost of \$150/month. This basic package is fully eligible. The web hosting service hosts the applicant's website and the applicant is in control of that website. Vendor B also offers an advanced bundled package that includes all of the services in the basic package plus ineligible applications – blogs, discussion boards, and a Student Information System – for \$200/month. The cost allocation for the ineligible portion of the advanced bundled package can be calculated by subtracting the cost of the basic package from the cost of the advanced package (\$50/month).

Example 3: Vendor C is a provider of a Student Information System hosted on its own servers, with applicants accessing that application and entering their data through password-protected web pages. The website is not under the control of the applicant even though the applicant may be the only entity that can access its data. Because this would be considered an application vendor arrangement, all of the costs associated with this service remain ineligible.

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